Meta Platforms Inc

The Models and Agents are Here; Upgrading to Overweight, $820 PT

▲ **Overweight**
Previous: Neutral

META, META US
Price (09 Sep 26):$653.69

▲ **Price Target (Dec-27):$820.00**
Prior (Dec-27):$640.00

Internet - Large Cap / Mid & Small Cap

Doug Anmuth [AC]
(1-212) 622-6571
douglas.anmuth@jpmorgan.com

Daniel Pfeiffer
(1-212) 622-0161
daniel.pfeiffer@jpmchase.com

Margaret Hoffman
(1-212) 622-1710
margaret.hoffman@jpmchase.com
J.P. Morgan Securities LLC

Meta shares are up +20% from their recent lows (vs. SPX -1%), but still down -1% YTD vs. the SPX up +12%. **We believe there's still meaningful upside potential as Meta is in the early stages of releasing frontier models and AI-driven products beyond advertising, notably Muse AI agent and Meta Model API access.** Frontier models are at the core of Meta's product and monetization pipeline over a multi-year period, and its path toward e. Meta's goal in the summer of 2025 as it began to rebuild MSL was to deliver models at the frontier within a year. We believe the MSL team has essentially delivered with an accelerated pace of model rollouts from Muse Spark 1.1 this past July to more recently Muse Spark 1.3, which is competitive with Claude and GPT models (see Figure 1). We expect Watermelon to unlock additional opportunities for Meta around consumer products, business intelligence, FoA engagement and advertising, and internal operations and efficiency. We have long believed that Meta is well-positioned to deliver consumer-driven AI products to its base of ~4B users, and that scaled distribution is a significant competitive advantage.**Meta's Muse AI agent has strong early traction, reaching as high as #3 in the US app store on its second day (see Figure 2) and early usage running at 10x that of training cohorts.** While monetization is not the near-term priority for Muse, we believe there are meaningful opportunities across a take-rate/commission model and subscriptions, within a TAM potentially in the tens of trillions of dollars. Importantly, Muse is built around security and privacy—an advantage for Meta—which we believe could be a key hurdle for other agents to gain trust and navigate more challenging tasks involving passwords, credit cards, and other personal information. Over time, we expect more agent-to-agent activity, with merchants and enterprises gaining increased intelligence and transaction volume. Muse should become a significant use of Meta's compute as it gains traction, but we also believe there is meaningful opportunity in Meta Model API for developers and enterprises. **Model API access should become increasingly compelling as Meta's models strengthen from Muse Spark 1.3 to Watermelon and beyond, supported by highly competitive pricing which should drive increased volume.** While Meta has been heavily focused on frontier model buildout and AI product development, we believe there is also strong value in its AI infrastructure capacity which will support future compute requirements. Meta has indicated it will maximize compute capacity in 2026 and 2027, with more flexibility in 2028 and beyond. We project 2027 capex of $243B (+70%) and 2028 capex of $284B (+17%), both well above consensus. We believe potential factors influencing 2028 spend could be data center build status and pushback, AI product adoption and monetization, and supply constraints. We currently anticipate greater FCF pressure in 2027 and 2028—in the range of *negative* $65B-$70B each year—but we're also not yet building in new AI product monetization. And importantly, we believe there's still meaningful headroom in core advertising from AI-driven improvements tied to content recommendations and engagement, better ad targeting and retrieval, and AI content creation. **We're upgrading Meta shares to Overweight and raising our price target from $640 (previously based on 18x 2028E GAAP EPS) to $820 based on 23x 2028E GAAP EPS of $35.44, which we believe could prove conservative.**

Quarterly Forecasts (FYE Dec)

Adj. EPS ($)

	2025A	2026E	2027E
Q1	7.17	8.92A	
Q2	8.11	8.83A	
Q3	8.69	8.68	
Q4	9.97	10.04	
FY	33.93	36.46	41.08

Style Exposure

Quant Factors	Current %Rank	Hist %Rank (1=Top) 6M	1Y	3Y	5Y
Value	63	68	77	66	68
Growth	72	66	73	67	38
Momentum	81	49	25	6	20
Quality	16	20	2	10	4
Low Vol	45	38	41	65	28
ESGQ	27	92	92	94	99

Sources for: Style Exposure – J.P. Morgan Global Markets Strategy; all other tables are company data and J.P. Morgan estimates.

See page 17 for analyst certification and important disclosures.

Doug Anmuth [AC]
(1-212) 622-6571
douglas.anmuth@jpmorgan.com

J.P.Morgan

Price Performance



	YTD	1m	3m	12m
Abs	-1.0%	10.4%	11.8%	-14.6%
Rel	-12.6%	12.0%	8.4%	-31.9%

Company Data

Shares O/S (mn)	2,566
52-week range ($)	790.80-520.26
Market cap ($ mn)	1,677,369.00
Exchange rate	1.00
Free float (%)	99.9%
3M ADV (mn)	17.87
3M ADV ($ mn)	10,566.9
Volatility (90 Day)	44
Index	S&P 500
BBG ANR (Buy | Hold | Sell)	71|8|0

Key Metrics (FYE Dec)

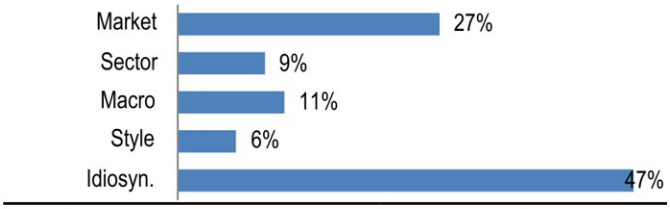
$ in millions	FY25A	FY26E	FY27E	FY28E
Financial Estimates				
Revenue	200,966	254,304	305,265	354,427
Adj. EBIT	105,213	117,155	133,009	153,221
Adj. EBITDA	122,684	146,972	182,824	225,705
Adj. net income	87,340	93,615	105,588	118,528
Adj. EPS	33.93	36.46	41.08	46.07
BBG EPS	30.56	34.65	37.74	46.28
Cashflow from operations	115,801	138,076	177,146	222,941
FCFF	47,053	(1,448)	(57,996)	(49,632)
Margins and Growth				
Revenue Growth Y/Y (%)	22.2%	26.5%	20.0%	16.1%
EBIT margin	52.4%	46.1%	43.6%	43.2%
EBIT Growth Y/Y (%)	19.7%	11.4%	13.5%	15.2%
EBITDA margin	61.0%	57.8%	59.9%	63.7%
EBITDA Growth Y/Y (%)	20.0%	19.8%	24.4%	23.5%
Net margin	43.5%	36.8%	34.6%	33.4%
Adj. EPS growth	22.9%	7.5%	12.7%	12.1%
Ratios				
Adj. tax rate	19.0%	19.0%	19.0%	19.0%
Interest cover	105.3	39.9	19.6	16.7
Net debt/Equity	NM	0.1	0.2	0.3
Net debt/EBITDA	NM	0.1	0.5	0.7
ROE	43.7%	35.7%	29.4%	25.2%
Valuation				
FCFF yield	2.8%	(0.1%)	(3.5%)	(3.0%)
Dividend yield	-	-	-	-
EV/Revenue	8.5	7.0	6.1	5.4
EV/EBITDA	13.9	12.0	10.1	8.5
Adj. P/E	19.3	17.9	15.9	14.2

Summary Investment Thesis and Valuation

Investment Thesis

We believe Meta's virtual ownership of the social graph, strong competitive moat, and focus on the user experience position it to become an enduring blue-chip company built for the long term. Meta's reach and engagement continue to drive network effects, and its targeting abilities provide significant value to advertisers. META is delivering significant AI-driven ad ranking & recommendation gains, supporting greater engagement, ROAS, & revenue growth. More recently, we believe the company has laid out a credible path to monetizing its AI driven capex spend via consumer/business agents and model API access. We upgrade our META rating from Neutral to Overweight and increase our December 2027 PT from $640 to $820, based on ~23x our 2028E GAAP EPS of $35.44.

Performance Drivers



Factors	6M Corr	1Y Corr
Market: MSCI US	0.67	0.60
Sect: Telecom Services	0.31	0.39
Ind: Media	0.31	0.38
Macro:		
Crude Oil	0.15	0.14
Credit Spread	-0.10	-0.12
Economic Surprise	0.12	0.06
Quant Styles:		
Quality	0.33	0.26
Value	-0.29	-0.23
Growth	0.18	0.18

Source: J.P. Morgan Global Markets Strategy for Performance Drivers; company data, Bloomberg Finance L.P. and J.P. Morgan estimates for all other tables. Note: Price h
exact.



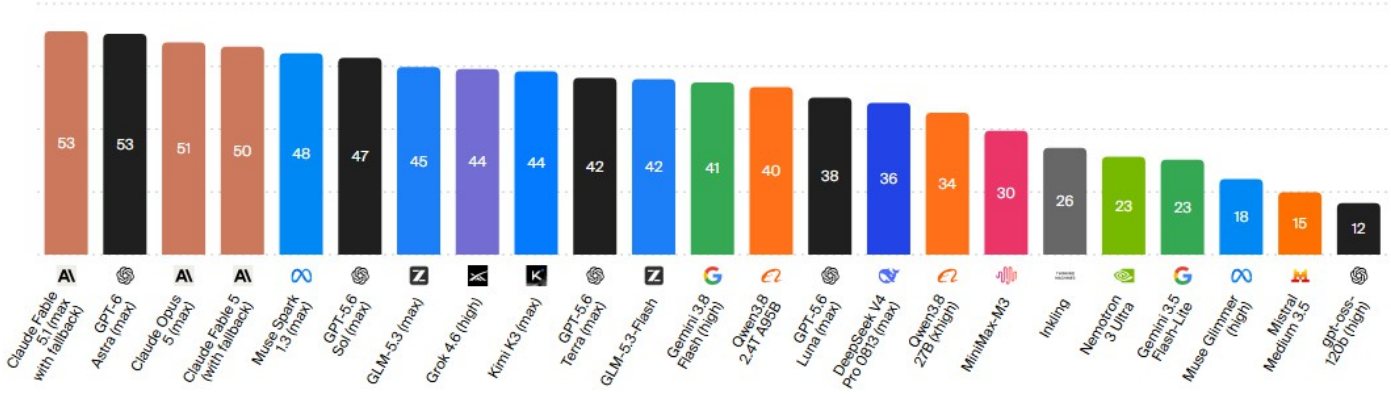
Doug Anmuth [AC]
(1-212) 622-6571
douglas.anmuth@jpmorgan.com

Doug Anmuth [AC]
(1-212) 622-6571
douglas.anmuth@jpmorgan.com

Frontier Models Unlock The Broader AI Opportunity

MSL reaching the frontier is the critical unlock for Meta's broader AI strategy & enables it to pursue incremental monetization opportunities beyond advertising, including personal e, business agents, & developer tools. Since the initial release of Muse Spark 1.1 in July, Meta has continued to improve model performance & tighten the competitive gap with leading AI labs. Muse Spark 1.3, Meta's most recent model release, ranks among the frontier across agentic, coding, instruction following, and long-context benchmarks. While the frontier will continue to advance, we believe Meta is well positioned to remain competitive supported by a rapid release cadence, attractive pricing, & a scaling compute footprint. **Watermelon, Meta's next model expected soon, underwent a significantly more advanced pre-training run & should represent another meaningful improvement in intelligence & capabilities. Meta also recently indicated that the next generation of post-Watermelon models are already scaling on its Prometheus GW cluster in Ohio.** We believe Meta is uniquely positioned to translate its improving model quality into scaled, compelling AI products across its massive distribution base of ~4B users & hundreds of millions of businesses.

Figure 1: Artificial Analysis Intelligence Index



Source: Artificial Analysis.

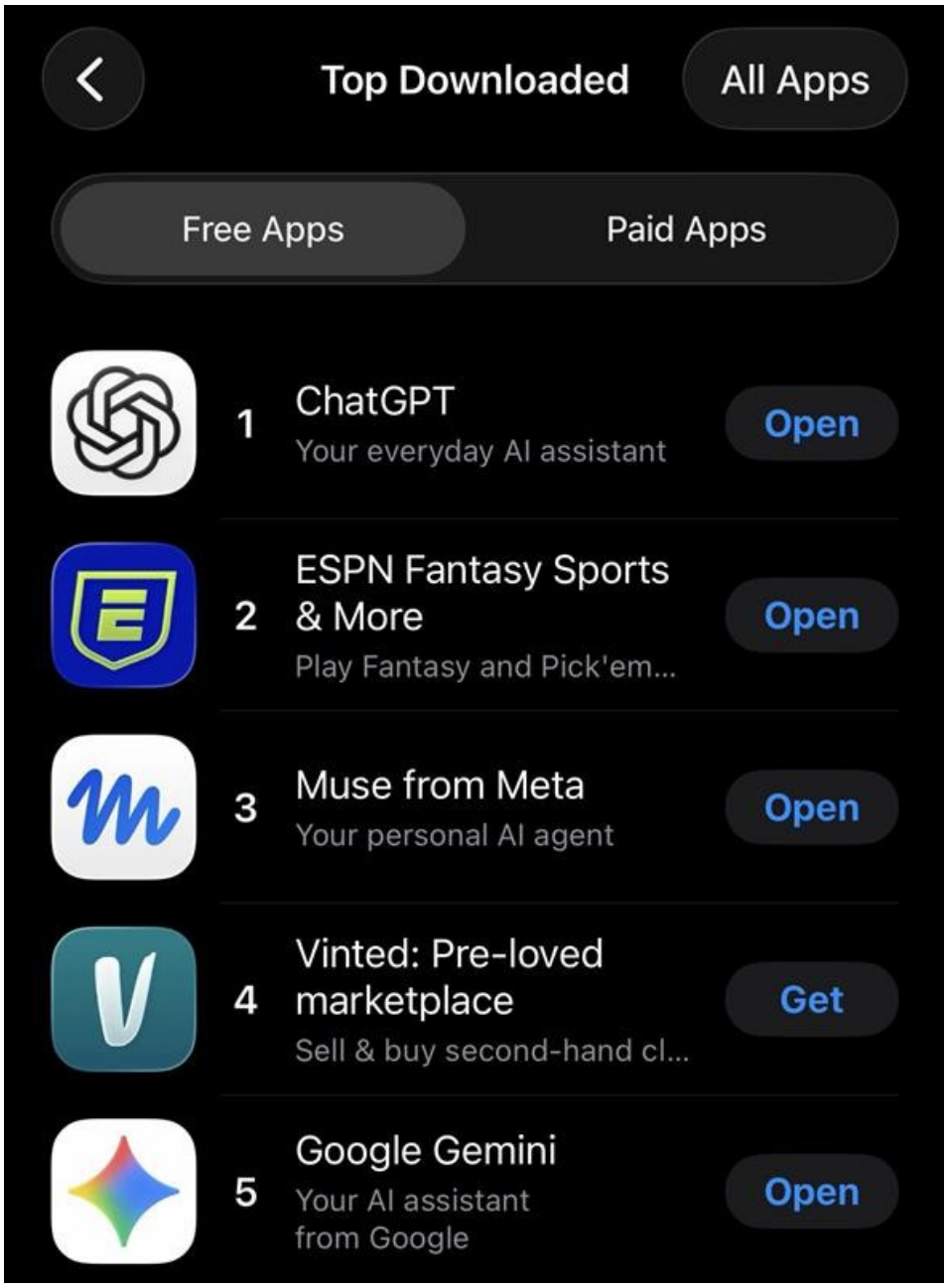
Muse AI Agent an Important Step Toward e

Earlier this week, Meta introduced its consumer agent, "Muse," in the U.S. across iOS, Android, and web. Muse will rival Instinct, GrokBot, OpenClaw, etc. as a personal agent to help users achieve goals and improve one's life, health, relationships, personal finances, and more. It operates through its own virtual computer and can browse websites and navigate UIs to perform tasks for users such as online purchases, restaurant bookings, form completion, and email/text communication. Muse is trained to work across Instagram, WhatsApp, Spotify, DoorDash, Etsy, Reddit, Yelp, and Outlook/Gmail, among other apps/platforms. Early on, we believe Meta is focused on building awareness, adoption, and engagement, while learning how people are using the product so the company can quickly iterate and make improvements. Muse is being offered for free (100M weekly Muse tokens), but premium tiers are also being offered for $20/mo (500M weekly Muse tokens) and $100/mo (3B weekly Muse tokens). Since Muse is able to operate across merchant platforms and will eventually include more agent-to-agent interaction, Meta believes that it can make the product free for the vast majority of people and will instead eventually monetize through a take-rate/commission model based on transactions that occur through Muse. Early on, Muse engagement has surpassed internal projections with Muse users running 10x more than testing cohorts

Doug Anmuth [AC]
(1-212) 622-6571
douglas.anmuth@jpmorgan.com

(here) and Muse reaching the #3 most downloaded free app in the U.S. Apple App Store (see Figure 2). We also believe Meta's emphasis on security, user control, & ease of use should support adoption, particularly as Muse takes action across higher-trust workflows such as commerce, messaging, email, bookings, & personal finance.

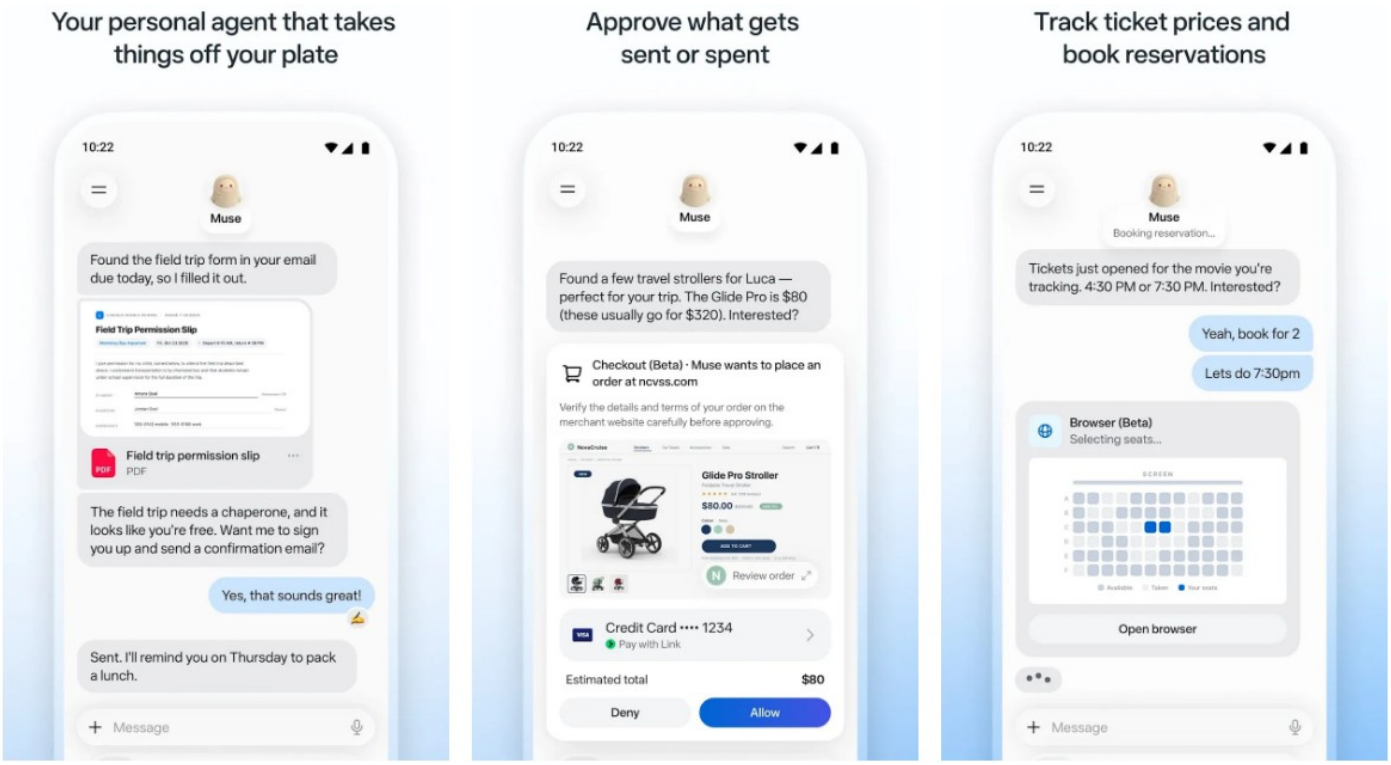
Figure 2: US App Store Rankings - Free Apps, 9/9/26



Source: Apple App Store Rankings as of 9/9.

Doug Anmuth [AC]
(1-212) 622-6571
douglas.anmuth@jpmorgan.com

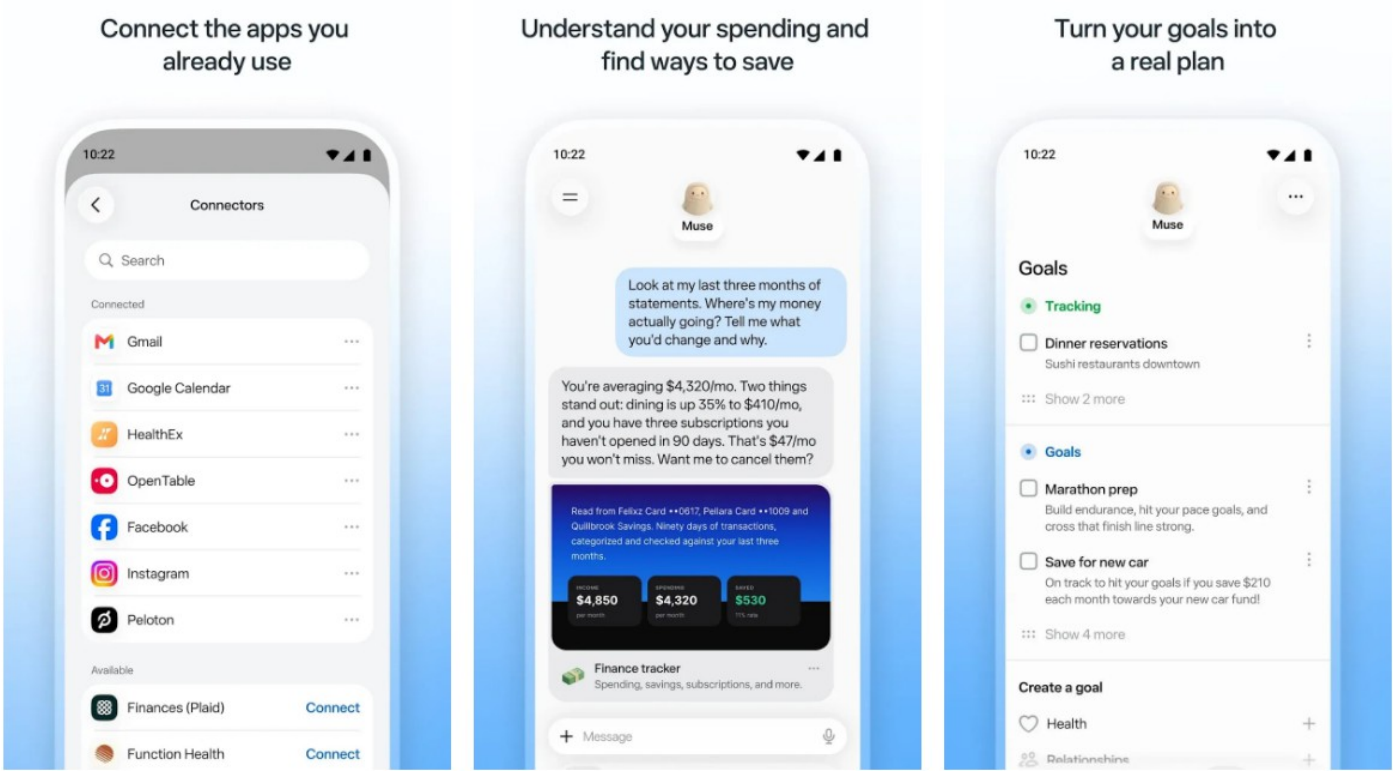
Figure 3: Muse Personal AI Agent Use Cases & Task Flow



Source: Meta.

Doug Anmuth [AC]
(1-212) 622-6571
douglas.anmuth@jpmorgan.com

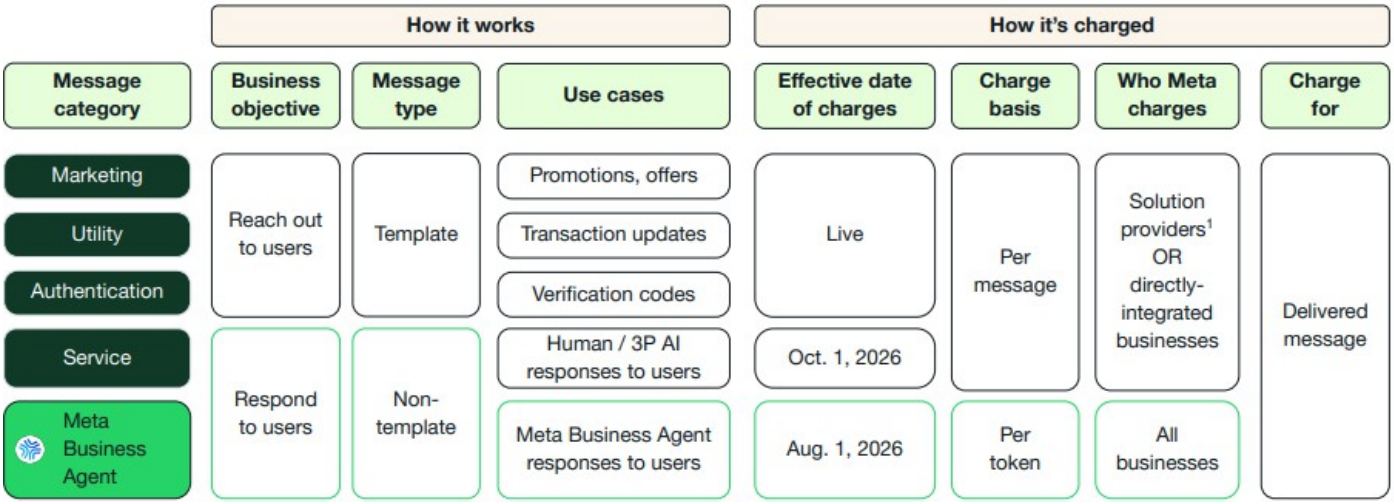
Figure 4: Muse Personal AI Agent Product Examples



Source: Meta.

In addition to Muse, Meta also currently offers its Meta Business Agent and Meta Business Agent Platform. The Meta Business Agent is a plug-and-play tool, accessible via subscription, that can answer questions, recommend products, book appointments, qualify leads, etc. More than 1M businesses were using Meta Business Agent on WhatsApp and Messenger every week as of 2Q26. The Meta Business Agent Platform, on the other hand, is an API-based enterprise layer to build, customize, and more deeply configure agents. As such, it can connect to hundreds of systems like Shopify, Zendesk, and Shopee giving Business Agents the ability to take action on behalf of the business. T oken-based billing officially launched for API/Platform enterprise users on 8/1 with 1M tokens costing $2 and one message consuming 20-25k tokens (4-5 cents per message). **Management has also indicated the potential to further evolve monetization of Business Agents into an outcome-based auction system, similar to the current ads business. We expect Meta to leverage its existing relationships with hundreds of millions of advertisers & small businesses already using its platforms to drive greater adoption over time, especially as Muse models continue to improve & agents become more capable.**

Figure 5: Meta Business Agent Platform Pricing



Source: Meta.

Meta Model API for Developers and Enterprises

Meta recently released the Meta Model API & Muse Code, two developer-focused products that represent an additional path to directly monetize its models beyond the core ads business. The Meta Model API provides self-serve access to Muse Spark for developers & enterprises building agentic & multi-modal workflows, while Muse Code, Meta's coding agent product, recently moved into GA & is built to handle bigger, more complex engineering tasks. Muse Spark 1.3 is priced at $1.25/$4.25 per M input/output tokens, with a lower price contributor version (used to improve Meta's products) at $0.10/$0.20 per M input/output tokens. Meta also rolled out subscription tiers for Muse Code with $5/month, $15/month, & $50/month offerings. **We believe Meta is focused on pricing competitively vs peers in order to drive adoption, build developer mindshare, & increase usage across agentic workflows where token consumption can scale quickly.** Early engagement data from OpenCode appears encouraging, with Muse Spark 1.3 contributor ranking #1 in market share & processing 31T tokens across 212k unique users since release. While there is a wide range of potential pricing outcomes depending on mix, discounts, cached tokens, & standard vs contributor usage, we believe the strong early engagement highlights the potential for Meta's developer products to scale quickly & continue to gain share as the model quality improves.

Meta AI and Meta One Subscriptions

Meta AI is an AI assistant available in the Meta AI app, and across WhatsApp, Instagram, Messenger, and Facebook that competes with other leading chatbots (ChatGPT, Claude, Grok, Gemini, etc). Meta AI is free to use, but Meta has started to test usage limits on more compute intensive features. When users hit their daily/monthly limit, they will have the option to purchase a Meta One subscription to unlock more usage before their free limit resets.

In addition to increased Meta AI limits, Meta One offers both personal and business/creator subscriptions that add extra features across different eligible Meta platforms, including Instagram, Facebook, Messenger, Meta AI, and WhatsApp. The personal plans include Meta One Core ($7.99/mo) and Meta One Premium ($19.99/mo). Meta One personal plans are intended to monetize engagement of power users via more

personalized features (Instagram Plus, Facebook Plus, and WhatsApp Plus), and increase daily usage limits of Meta AI among other benefits. **We view the personal plans as similar to other premium subscriptions (X, Snapchat, gaming related) and consumer LLM subscriptions (Chat GPT, Grok, Claude) and would expect to see similar payer penetration rates of LSD% to MSD% over time.** In addition to the high margin subscription opportunity (see Figure 7), we note that the Meta AI advertising opportunity could also be substantial as seen by OpenAI's ad business already reaching a $1B ARR in its first 200 days, especially given Meta's existing advertising scale & capabilities. We believe Meta AI could eventually become a new medium for delivering ads and increased usage of Meta AI will also improve contextual data ingestion which can enhance targeting and ad performance across Facebook, Instagram, and WhatsApp.

Figure 6: Meta One Personal and Business/Creator Plan Offerings

Meta One Personal		Meta One Business/Creator	
Core ($7.99/mo)	• Access to Facebook Plus, Instragram Plus, and WhatsApp Plus benefits • More AI usage across eligible Meta technologies	**Essential ($14.99/mo)**	• Presence/protection (verified badge, impersonation protection, enhanced linksheet) • More AI usage across eligible Meta technologies • Access to Facebook Plus, Instragram Plus, and WhatsApp Plus benefits
		Advanced ($49.99/mo)	• Benefits from the Meta One Essential Plan • Audience growth (featured in feed, optimized search, bold follow button, follow invites) • Scale operation with shared access up to 4 people • Optimized positing schedules up to a year in advance • Drive real outcomes (link in posts/reels, enhanced profile) • Advanced insights, even more AI usage, premium support, and original content credit
Premium ($19.99/mo)	• Benefits from the Meta One Core Plan • Expanded AI usage across eligible Meta technologies	**Expert ($149.99/mo)**	• Benefits from the Meta One Advanced Plan • Scale operation with shared access up to 8 people • Custom chat themes • Drive real outcomes in additional posts per months (link in posts/reels, enhanced profile) • Even more AI usage, more premium support, and more original content credit
		Max ($499.99/mo)	• Benefits from the Meta One Expert Plan • Scale operation with shared access up to 30 people • Personalized content strategy advice with Meta advisors • Drive real outcomes in additional posts per months (link in posts/reels, enhanced profile) • Even more AI usage, unlimited premium support, and more original content credit

Source: Meta.

Figure 7: Illustrative Meta AI and Meta One Personal Opportunity

Revenue and GAAP EPS										
		Penetration Rate								
ARPU (annual)		0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%	4.0%	4.5%	5.0%
	$168	$3,270M	$6,540M	$9,810M	$13,080M	$16,350M	$19,620M	$22,891M	$26,161M	$29,431M	$32,701M
	$182	$3,543M	$7,085M	$10,628M	$14,170M	$17,713M	$21,255M	$24,798M	$28,341M	$31,883M	$35,426M
	$197	$3,835M	$7,669M	$11,504M	$15,338M	$19,173M	$23,007M	$26,842M	$30,676M	$34,511M	$38,345M
	$211	$4,107M	$8,214M	$12,321M	$16,428M	$20,535M	$24,642M	$28,749M	$32,856M	$36,963M	$41,071M
	$225	$4,380M	$8,759M	$13,139M	$17,518M	$21,898M	$26,277M	$30,657M	$35,036M	$39,416M	$43,796M
		Penetration Rate								
ARPU (annual)		0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%	4.0%	4.5%	5.0%
	$168	$0.76	$1.53	$2.29	$3.05	$3.81	$4.58	$5.34	$6.10	$6.86	$7.63
	$182	$0.83	$1.65	$2.48	$3.30	$4.13	$4.96	$5.78	$6.61	$7.44	$8.26
	$197	$0.89	$1.79	$2.68	$3.58	$4.47	$5.37	$6.26	$7.15	$8.05	$8.94
	$211	$0.96	$1.92	$2.87	$3.83	$4.79	$5.75	$6.71	$7.66	$8.62	$9.58
	$225	$1.02	$2.04	$3.06	$4.09	$5.11	$6.13	$7.15	$8.17	$9.19	$10.21

Source: J.P. Morgan estimates. Note: EPS sensitivity uses JPMe 2028 DAPs, S/O, and assumes an OI margin of 60%. ARPU assumes a 50-90% mix of Meta One Core.

The business/creator subscriptions include Meta One Essential ($14.99/mo), Meta One Advanced ($49.99/mo), Meta One Expert ($149.99/mo), and Meta One Max ($499.99/mo). We outline the features of each plan in Figure 6. **We view the Meta One offering for businesses/creators to be the most compelling, with over 200M businesses using Meta's free and paid tools and tens of millions of professional content creators/influencers using Meta's platforms.**

Figure 8: Illustrative Meta AI and Meta One Business/Creator Opportunity

2028 Revenue and GAAP EPS										
		Penetration Rate								
ARPU (annual)		2%	4%	6%	8%	10%	12%	14%	16%	18%	20%
	$300	$1,500M	$3,000M	$4,500M	$6,000M	$7,500M	$9,000M	$10,500M	$12,000M	$13,500M	$15,000M
	$600	$3,000M	$6,000M	$9,000M	$12,000M	$15,000M	$18,000M	$21,000M	$24,000M	$27,000M	$30,000M
	$900	$4,500M	$9,000M	$13,500M	$18,000M	$22,500M	$27,000M	$31,500M	$36,000M	$40,500M	$45,000M
	$1,200	$6,000M	$12,000M	$18,000M	$24,000M	$30,000M	$36,000M	$42,000M	$48,000M	$54,000M	$60,000M
	$1,500	$7,500M	$15,000M	$22,500M	$30,000M	$37,500M	$45,000M	$52,500M	$60,000M	$67,500M	$75,000M
		Penetration Rate								
ARPU (annual)		2%	4%	6%	8%	10%	12%	14%	16%	18%	20%
	$300	$0.35	$0.70	$1.05	$1.40	$1.75	$2.10	$2.45	$2.80	$3.15	$3.50
	$600	$0.70	$1.40	$2.10	$2.80	$3.50	$4.20	$4.90	$5.60	$6.30	$7.00
	$900	$1.05	$2.10	$3.15	$4.20	$5.25	$6.30	$7.35	$8.40	$9.45	$10.50
	$1,200	$1.40	$2.80	$4.20	$5.60	$7.00	$8.40	$9.80	$11.20	$12.59	$13.99
	$1,500	$1.75	$3.50	$5.25	$7.00	$8.75	$10.50	$12.24	$13.99	$15.74	$17.49

Source: J.P. Morgan estimates. Note: EPS sensitivity uses JPMe 2028 S/O and assumes an OI margin of 60%.

Wearables Remain A Longer Term Bet; Expecting To Learn More At Meta Connect

Meta continues to believe that AI Glasses are the ideal form factor for the future of personal computing. In our view, glasses becoming the core form factor for utilizing AI remains very early days and mass adoption is likely years away. That being said, within the Smart Glasses space, Meta has a commanding ~70% share (per IDC) with the rest of the competitive field fragmented today and competition from Snap Specs (launching on

9/16) and the Warby Parker + Google partnership still early. Looking forward, we expect additional announcements on the Meta glasses line-up at Meta Connect on 9/23-9/24. We expect Meta to continue to iterate on wearables more broadly as it's reportedly testing an AI pendant in the next year.

Raw Compute Deals Offer Short-Term Optionality As Capacity Scales

Meta is focused on maximizing compute capacity in 2026 & 2027, with reports suggesting that the company plans to reach 7GW of compute in 2026 & doubling capacity to 14GW in 2027. We continue to expect the majority of this capacity to be directed toward Meta's highest-ROI internal use cases, including ads & engagement optimization across FoA, training frontier models, and delivering an expanding set of AI products to consumers & businesses. That said, Meta has previously suggested that capacity rental deals could prove highly accretive & has framed the potential to build a broader hyperscaler offering as a backstop if Meta overbuilds capacity relative to its own internal needs. Recent SpaceX compute contracts with Anthropic, Google, & others suggest premium pricing in the ~$30-$50 per watt range versus industry average neocloud rates closer to $10-$20 per watt. These premiums likely reflect current industry supply constraints, but may also be influenced by shorter-duration contracts, compute density, networking architecture, location, and other factors. Additionally, while the reported scale of the company's planned capacity should allow it to pursue both internal & external monetization opportunities, we believe Meta's stronger models & AI products raise the bar for diverting compute away from internal use cases, and any potential deal would likely require contractual flexibility similar to SpaceX's 90-day out clauses to ensure Meta can reclaim capacity as needed.

Doug Anmuth [AC]
(1-212) 622-6571
douglas.anmuth@jpmorgan.com

J.P.Morgan

Model Pages

Figure 9: Meta Platforms Income Statement

$ in millions, except per share data

	2024A	1Q25A	2Q25A	3Q25A	4Q25A	2025A	1Q26A	2Q26A	3Q26E	4Q26E	2026E	2027E	2028E
Revenue	**164,501**	**42,314**	**47,516**	**51,242**	**59,893**	**200,966**	**56,311**	**60,801**	**63,557**	**73,635**	**254,304**	**305,265**	**354,427**
Cost of Revenue	29,076	7,301	8,213	8,917	10,619	35,050	9,945	10,796	11,695	13,770	46,205	56,474	66,632
Gross Profit	**135,425**	**35,013**	**39,303**	**42,325**	**49,274**	**165,916**	**46,366**	**50,005**	**51,863**	**59,865**	**208,099**	**248,791**	**287,795**
Operating Expenses:													
Marketing and Sales	10,267	2,521	2,745	2,613	3,186	11,065	2,698	2,896	3,051	3,682	12,327	14,347	16,658
Research and Development	29,935	8,723	8,862	10,330	11,972	39,887	12,367	14,422	18,940	21,354	67,083	90,969	105,974
General and Administrative	8,763	2,067	2,421	3,292	3,480	11,260	2,404	5,074	2,733	2,945	13,156	12,211	13,823
Stock-based Compensation	16,690	4,147	4,834	5,555	5,890	20,427	6,025	7,658	6,864	6,922	27,469	32,969	37,924
Restructuring Costs	389	0	0	0	0	0	0	1,180	0	0	1,180	0	0
Total Operating Expenses	**66,044**	**17,458**	**18,862**	**21,790**	**24,528**	**82,639**	**23,494**	**31,230**	**31,588**	**34,903**	**121,215**	**150,496**	**174,378**
Total GAAP Expenses (COGS + Opex)	**95,121**	**24,759**	**27,075**	**30,707**	**35,148**	**117,690**	**33,439**	**42,026**	**43,283**	**48,672**	**167,420**	**206,970**	**241,011**
Operating Income	**69,380**	**17,555**	**20,441**	**20,535**	**24,745**	**83,276**	**22,872**	**18,775**	**20,275**	**24,962**	**86,884**	**98,295**	**113,417**
Non-GAAP Operating Income	**87,868**	**22,121**	**25,646**	**26,464**	**30,981**	**105,214**	**29,353**	**28,010**	**27,539**	**32,252**	**117,155**	**133,009**	**153,221**
Interest Expense	(715)	(240)	(241)	(227)	(457)	(1,165)	(562)	(920)	(920)	(1,279)	(3,681)	(9,317)	(13,547)
Other income (expense), net	1,283	827	93	1,128	609	2,656	(1,120)	(19)	(19)	(377)	(1,535)	(2,602)	(6,832)
Pre-tax Income	**70,663**	**18,382**	**20,534**	**21,663**	**25,354**	**85,932**	**21,752**	**18,756**	**20,256**	**24,585**	**85,349**	**95,694**	**106,585**
Income Taxes	8,304	1,738	2,197	18,954	2,586	25,475	(5,021)	2,908	3,241	3,934	5,062	13,828	15,402
Effective Tax Rate	12%	9%	11%	87%	10%	30%	-23%	16%	16%	16%	6%	14%	14%
GAAP Net Income	**62,360**	**16,644**	**18,337**	**2,709**	**22,768**	**60,458**	**26,773**	**15,848**	**17,015**	**20,651**	**80,287**	**81,866**	**91,183**
GAAP Basic EPS	**$24.61**	**$6.59**	**$7.28**	**$1.08**	**$9.02**	**$23.98**	**$10.57**	**$6.23**	**$6.68**	**$8.10**	**$31.58**	**$32.16**	**$35.79**
GAAP Diluted EPS	**$23.86**	**$6.43**	**$7.14**	**$1.05**	**$8.88**	**$23.49**	**$10.44**	**$6.18**	**$6.62**	**$8.03**	**$31.27**	**$31.85**	**$35.44**
Basic Shares Out	2,534	2,527	2,518	2,517	2,525	2,521	2,534	2,543	2,546	2,548	2,543	2,545	2,548
Diluted Shares Out	2,614	2,590	2,570	2,572	2,565	2,574	2,564	2,566	2,569	2,571	2,567	2,570	2,573
Adjusted EBITDA Reconciliation:													
Operating Income	69,380	17,555	20,441	20,535	24,745	83,276	22,872	18,775	20,275	24,962	86,884	98,295	113,417
Stock-based compensation	16,690	4,147	4,834	5,555	5,890	20,427	6,025	7,658	6,864	6,922	27,469	32,969	37,924
Payroll Tax Related to SBC, Other	707	161	72	72	61	365	185	1,263	83	70	1,600	483	556
Depreciation and Amortization	15,498	3,900	4,342	4,963	5,411	18,616	5,999	6,356	8,803	9,861	31,019	51,077	73,809
Adjusted EBITDA	**102,275**	**25,763**	**29,689**	**31,125**	**36,107**	**122,684**	**35,081**	**34,052**	**36,025**	**41,815**	**146,972**	**182,824**	**225,705**

Source: Company reports and J.P. Morgan estimates.

Figure 10: Meta Platforms Income Statement (Cont'd)

$ in millions, except per share data

Y/Y Growth	2024A	1Q25A	2Q25A	3Q25A	4Q25A	2025A	1Q26A	2Q26A	3Q26E	4Q26E	2026E	2027E	2028E
Revenue	***21.9%***	***16.1%***	***21.6%***	***26.2%***	***23.8%***	***22.2%***	***33.1%***	***28.0%***	***24.0%***	***22.9%***	***26.5%***	***20.0%***	***16.1%***
Revenue FXN	***22.6%***	***19.5%***	***21.8%***	***25.2%***	***22.8%***	***22.4%***	***28.9%***	***26.5%***	***25.0%***	***23.6%***	***25.8%***	***20.0%***	***16.1%***
Cost of Revenue	*15.1%*	*14.1%*	*17.0%*	*25.5%*	*24.2%*	*20.5%*	*36.2%*	*31.4%*	*31.1%*	*29.7%*	*31.8%*	*22.2%*	*18.0%*
Gross Profit	***23.5%***	***16.5%***	***22.6%***	***26.4%***	***23.7%***	***22.5%***	***32.4%***	***27.2%***	***22.5%***	***21.5%***	***25.4%***	***19.6%***	***15.7%***
Marketing and Sales	*-3.6%*	*9.5%*	*13.1%*	*2.0%*	*7.1%*	*7.8%*	*7.0%*	*5.5%*	*16.8%*	*15.6%*	*11.4%*	*16.4%*	*16.1%*
Research and Development	*19.5%*	*26.3%*	*31.7%*	*34.4%*	*39.0%*	*33.2%*	*41.8%*	*62.7%*	*83.4%*	*78.4%*	*68.2%*	*35.6%*	*16.5%*
General and Administrative	*-9.7%*	*-35.8%*	*-28.6%*	*102.5%*	*561.6%*	*28.5%*	*16.3%*	*109.6%*	*-17.0%*	*-15.4%*	*16.8%*	*-7.2%*	*13.2%*
Stock-based Compensation	*19.0%*	*16.4%*	*4.7%*	*30.7%*	*38.2%*	*22.4%*	*45.3%*	*58.4%*	*23.6%*	*17.5%*	*34.5%*	*20.0%*	*15.0%*
Total Operating Expenses	***5.0%***	***7.5%***	***9.6%***	***35.1%***	***48.9%***	***25.1%***	***34.6%***	***65.6%***	***45.0%***	***42.3%***	***46.7%***	***24.2%***	***15.9%***
Total GAAP Expenses	***7.9%***	***9.4%***	***11.8%***	***32.1%***	***40.5%***	***23.7%***	***35.1%***	***55.2%***	***41.0%***	***38.5%***	***42.3%***	***23.6%***	***16.4%***
Operating Income	***48.4%***	***27.0%***	***37.7%***	***18.4%***	***5.9%***	***20.0%***	***30.3%***	***-8.2%***	***-1.3%***	***0.9%***	***4.3%***	***13.1%***	***15.4%***
GAAP Net Income	*59.5%*	*34.6%*	*36.2%*	*-82.7%*	*9.3%*	*-3.1%*	*60.9%*	*-13.6%*	*528.1%*	*-9.3%*	*32.8%*	*2.0%*	*11.4%*
GAAP EPS	***60.4%***	***36.4%***	***38.3%***	***-82.5%***	***10.7%***	***-1.5%***	***62.5%***	***-13.4%***	***528.9%***	***-9.5%***	***33.1%***	***1.9%***	***11.3%***
Adjusted EBITDA	***31.9%***	***21.9%***	***27.9%***	***21.1%***	***12.0%***	***20.0%***	***36.2%***	***14.7%***	***15.7%***	***15.8%***	***19.8%***	***24.4%***	***23.5%***

% of Revenues	2024A	1Q25A	2Q25A	3Q25A	4Q25A	2025A	1Q26A	2Q26A	3Q26E	4Q26E	2026E	2027E	2028E
Cost of Revenue	17.7%	17.3%	17.3%	17.4%	17.7%	17.4%	17.7%	17.8%	18.4%	18.7%	18.2%	18.5%	18.8%
Marketing and Sales	6.2%	6.0%	5.8%	5.1%	5.3%	5.5%	4.8%	4.8%	4.8%	5.0%	4.8%	4.7%	4.7%
Research and Development	18.2%	20.6%	18.7%	20.2%	20.0%	19.8%	22.0%	23.7%	29.8%	29.0%	26.4%	29.8%	29.9%
General and Administrative	5.3%	4.9%	5.1%	6.4%	5.8%	5.6%	4.3%	8.3%	4.3%	4.0%	5.2%	4.0%	3.9%
Stock-based Compensation	10.1%	9.8%	10.2%	10.8%	9.8%	10.2%	10.7%	12.6%	10.8%	9.4%	10.8%	10.8%	10.7%
Total GAAP Operating Expenses	**40.1%**	**41.3%**	**39.7%**	**42.5%**	**41.0%**	**41.1%**	**41.7%**	**51.4%**	**49.7%**	**47.4%**	**47.7%**	**49.3%**	**49.2%**

Margins	2024A	1Q25A	2Q25A	3Q25A	4Q25A	2025A	1Q26A	2Q26A	3Q26E	4Q26E	2026E	2027E	2028E
Gross Margin	82.3%	82.7%	82.7%	82.6%	82.3%	82.6%	82.3%	82.2%	81.6%	81.3%	81.8%	81.5%	81.2%
GAAP Operating margin	**42.2%**	**41.5%**	**43.0%**	**40.1%**	**41.3%**	**41.4%**	**40.6%**	**30.9%**	**31.9%**	**33.9%**	**34.2%**	**32.2%**	**32.0%**
Adjusted EBITDA Margin	**62.2%**	**60.9%**	**62.5%**	**60.7%**	**60.3%**	**61.0%**	**62.3%**	**56.0%**	**56.7%**	**56.8%**	**57.8%**	**59.9%**	**63.7%**
Incremental Adjusted EBITDA Margin	**83.5%**	**78.9%**	**76.8%**	**50.9%**	**33.7%**	**56.0%**	**66.6%**	**32.8%**	**39.8%**	**41.5%**	**45.5%**	**70.4%**	**87.2%**

Source: Company reports and J.P. Morgan estimates.

Figure 11: Meta Platforms Segment Summary: Revenue Build

$ in millions, except per share data

Revenue Summary	2024A	1Q25A	2Q25A	3Q25A	4Q25A	2025A	1Q26A	2Q26A	3Q26E	4Q26E	2026E	2027E	2028E
Advertising Revenue	**160,633**	**41,392**	**46,563**	**50,082**	**58,137**	**196,174**	**55,024**	**59,363**	**61,950**	**71,392**	**247,730**	**297,031**	**344,340**
Y/Y Growth	*21.7%*	*16.2%*	*21.5%*	*25.6%*	*24.3%*	*22.1%*	*32.9%*	*27.5%*	*23.7%*	*22.8%*	*26.3%*	*19.9%*	*15.9%*
Q/Q Growth		*-11.5%*	*12.5%*	*7.6%*	*16.1%*		*-5.4%*	*7.9%*	*4.4%*	*15.2%*			
% of Total Revenues	97.6%	97.8%	98.0%	97.7%	97.1%	97.6%	97.7%	97.6%	97.5%	97.0%	97.4%	97.3%	97.2%
FXN Y/Y Growth	***22.4%***	***19.6%***	***21.7%***	***24.5%***	***23.3%***	***22.4%***	***28.7%***	***26.0%***	***24.6%***	***23.5%***	***25.5%***	***19.9%***	***15.9%***
Other Revenue	**1,722**	**510**	**583**	**690**	**801**	**2,584**	**885**	**1,007**	**1,104**	**1,202**	**4,198**	**5,667**	**7,367**
Y/Y Growth	*62.8%*	*34.2%*	*49.9%*	*59.0%*	*54.3%*	*50.1%*	*73.5%*	*72.7%*	*60.0%*	*50.0%*	*62.4%*	*35.0%*	*30.0%*
Q/Q Growth		*-1.7%*	*14.3%*	*18.4%*	*16.1%*		*10.5%*	*13.8%*	*9.6%*	*8.8%*			
% of Total Revenues	1.0%	1.2%	1.2%	1.3%	1.3%	1.3%	1.6%	1.7%	1.7%	1.6%	1.7%	1.9%	2.1%
Family of Apps Revenue	**162,355**	**41,902**	**47,146**	**50,772**	**58,938**	**198,758**	**55,909**	**60,370**	**63,054**	**72,594**	**251,927**	**302,698**	**351,706**
Y/Y Growth	*22.1%*	*16.3%*	*21.8%*	*25.9%*	*24.6%*	*22.4%*	*33.4%*	*28.0%*	*24.2%*	*23.2%*	*26.8%*	*20.2%*	*16.2%*
Q/Q Growth		*-11.4%*	*12.5%*	*7.7%*	*16.1%*	*237.2%*	*-5.1%*	*8.0%*	*4.4%*	*15.1%*	*247.0%*		
% of Total Revenues	98.7%	99.0%	99.2%	99.1%	98.4%	98.9%	99.3%	99.3%	99.2%	98.6%	99.1%	99.2%	99.2%
Reality Labs	**2,146**	**412**	**370**	**470**	**955**	**2,207**	**402**	**431**	**503**	**1,041**	**2,377**	**2,567**	**2,721**
Y/Y Growth	*13.2%*	*-6.4%*	*4.8%*	*74.1%*	*-11.8%*	*2.8%*	*-2.4%*	*16.5%*	*7.0%*	*9.0%*	*7.7%*	*8.0%*	*6.0%*
Q/Q Growth		*-62.0%*	*-10.2%*	*27.0%*	*103.2%*	*131.1%*	*-57.9%*	*7.2%*	*16.7%*	*107.0%*	*128.3%*		
% of Total Revenues	1.3%	1.0%	0.8%	0.9%	1.6%	1.1%	0.7%	0.7%	0.8%	1.4%	0.9%	0.8%	0.8%
Total Revenue	**164,501**	**42,314**	**47,516**	**51,242**	**59,893**	**200,966**	**56,311**	**60,801**	**63,557**	**73,635**	**254,304**	**305,265**	**354,427**
Y/Y Growth	*21.9%*	*16.1%*	*21.6%*	*26.2%*	*23.8%*	*22.2%*	*33.1%*	*28.0%*	*24.0%*	*22.9%*	*26.5%*	*20.0%*	*16.1%*
Q/Q Growth		*-12.5%*	*12.3%*	*7.8%*	*16.9%*		*-6.0%*	*8.0%*	*4.5%*	*15.9%*			
FXN Y/Y Growth	***22.6%***	***19.5%***	***21.8%***	***25.2%***	***22.8%***	***22.4%***	***28.9%***	***26.5%***	***25.0%***	***23.6%***	***25.8%***	***20.0%***	***16.1%***
Seasonality	100.0%	21.1%	23.6%	25.5%	29.8%	100.0%	22.1%	23.9%	25.0%	29.0%	100.0%		

Source: Company reports and J.P. Morgan estimates.

Figure 12: Meta Platforms Segment Summary: Operating Income Build

$ in millions, except per share data

Operating Income Build	2024A	1Q25A	2Q25A	3Q25A	4Q25A	2025A	1Q26A	2Q26A	3Q26E	4Q26E	2026E	2027E	2028E
Family of Apps													
Family of Apps Revenue	**162,355**	**41,902**	**47,146**	**50,772**	**58,938**	**198,758**	**55,909**	**60,370**	**63,054**	**72,594**	**251,927**	**302,698**	**351,706**
Y/Y Growth	*22.1%*	*16.3%*	*21.8%*	*25.9%*	*24.6%*	*22.4%*	*33.4%*	*28.0%*	*24.2%*	*23.2%*	*26.8%*	*20.2%*	*16.2%*
% of Total Revenue	98.7%	99.0%	99.2%	99.1%	98.4%	98.9%	99.3%	99.3%	99.2%	98.6%	99.1%	99.2%	99.2%
Family of Apps Costs & Expenses	**75,245**	**20,137**	**22,175**	**25,805**	**28,172**	**96,289**	**29,009**	**36,976**	**37,675**	**41,695**	**145,355**	**186,054**	**221,405**
Y/Y Growth	*7.3%*	*9.7%*	*14.4%*	*39.2%*	*48.5%*	*28.0%*	*44.1%*	*66.7%*	*46.0%*	*48.0%*	*51.0%*	*28.0%*	*19.0%*
% of Total Costs & Expenses	79.1%	81.3%	81.9%	84.0%	80.2%	81.8%	86.8%	88.0%	87.0%	85.7%	86.8%	89.9%	91.9%
Family of Apps Operating Income	**87,109**	**21,765**	**24,971**	**24,967**	**30,766**	**102,469**	**26,900**	**23,394**	**25,379**	**30,899**	**106,572**	**116,644**	**130,302**
Y/Y Growth	*38.6%*	*23.2%*	*29.1%*	*14.6%*	*8.6%*	*17.6%*	*23.6%*	*-6.3%*	*1.7%*	*0.4%*	*4.0%*	*9.5%*	*11.7%*
% Margin	53.7%	51.9%	53.0%	49.2%	52.2%	51.6%	48.1%	38.8%	40.2%	42.6%	42.3%	38.5%	37.0%
% of Total Operating Income	125.6%	124.0%	122.2%	121.6%	124.3%	123.0%	117.6%	124.6%	125.2%	123.8%	122.7%	118.7%	114.9%
Reality Labs													
Reality Labs Revenue	**2,146**	**412**	**370**	**470**	**955**	**2,207**	**402**	**431**	**503**	**1,041**	**2,377**	**2,567**	**2,721**
Y/Y Growth	*13.2%*	*-6.4%*	*4.8%*	*74.1%*	*-11.8%*	*2.8%*	*-2.4%*	*16.5%*	*7.0%*	*9.0%*	*7.7%*	*8.0%*	*6.0%*
% of Total Revenue	1.3%	1.0%	0.8%	0.9%	1.6%	1.1%	0.7%	0.7%	0.8%	1.4%	0.9%	0.8%	0.8%
Reality Labs Costs & Expenses	**19,875**	**4,622**	**4,900**	**4,902**	**6,976**	**21,400**	**4,430**	**5,050**	**5,607**	**6,978**	**22,065**	**20,915**	**19,606**
Y/Y Growth	*10.3%*	*7.8%*	*1.2%*	*4.3%*	*15.3%*	*7.7%*	*-4.2%*	*3.1%*	*14.4%*	*0.0%*	*3.1%*	*-5.2%*	*-6.3%*
% of Total Costs & Expenses	20.9%	18.7%	18.1%	16.0%	19.8%	18.2%	13.2%	12.0%	13.0%	14.3%	13.2%	10.1%	8.1%
Reality Labs Operating Income	**(17,729)**	**(4,210)**	**(4,530)**	**(4,432)**	**(6,021)**	**(19,193)**	**(4,028)**	**(4,619)**	**(5,104)**	**(5,937)**	**(19,688)**	**(18,349)**	**(16,885)**
Y/Y Growth	*-10.0%*	*-9.5%*	*-0.9%*	*-0.1%*	*-21.2%*	*-8.3%*	*4.3%*	*-2.0%*	*-15.2%*	*1.4%*	*-2.6%*	*6.8%*	*8.0%*
% Margin	-826.1%	-1021.8%	-1224.3%	-943.0%	-630.5%	-869.6%	-1002.0%	-1071.7%	-1015.0%	-570.3%	-828.3%	-714.8%	-620.5%
% of Total Operating Income	-25.6%	-24.0%	-22.2%	-21.6%	-24.3%	-23.0%	-17.6%	-24.6%	-25.2%	-23.8%	-22.7%	-18.7%	-14.9%
Total Company													
Total Revenue	**164,501**	**42,314**	**47,516**	**51,242**	**59,893**	**200,966**	**56,311**	**60,801**	**63,557**	**73,635**	**254,304**	**305,265**	**354,427**
Y/Y Growth	*21.9%*	*16.1%*	*21.6%*	*26.2%*	*23.8%*	*22.2%*	*33.1%*	*28.0%*	*24.0%*	*22.9%*	*26.5%*	*20.0%*	*16.1%*
Total Costs & Expenses	**95,121**	**24,759**	**27,075**	**30,707**	**35,148**	**117,690**	**33,439**	**42,026**	**43,283**	**48,672**	**167,420**	**206,970**	**241,011**
Y/Y Growth	*7.9%*	*9.4%*	*11.8%*	*32.1%*	*40.5%*	*23.7%*	*35.1%*	*55.2%*	*41.0%*	*38.5%*	*42.3%*	*23.6%*	*16.4%*
Total Operating Income	**69,380**	**17,555**	**20,441**	**20,535**	**24,745**	**83,276**	**22,872**	**18,775**	**20,275**	**24,962**	**86,884**	**98,295**	**113,417**
Y/Y Growth	*48.4%*	*27.0%*	*37.7%*	*18.4%*	*5.9%*	*20.0%*	*30.3%*	*-8.2%*	*-1.3%*	*0.9%*	*4.3%*	*13.1%*	*15.4%*
% Margin	42.2%	41.5%	43.0%	40.1%	41.3%	41.4%	40.6%	30.9%	31.9%	33.9%	34.2%	32.2%	32.0%

Source: Company reports and J.P. Morgan estimates.

Doug Anmuth [AC]
(1-212) 622-6571
douglas.anmuth@jpmorgan.com

J.P.Morgan

Figure 13: Meta Platforms Revenue Summary

$ in millions, except per share data

Revenue per MAU (ARPU) Build	2024A	1Q25A	2Q25A	3Q25A	4Q25A	2025A	1Q26A	2Q26A	3Q26E	4Q26E	2026E	2027E	2028E
US & Canada	$263.62	$67.59	$73.64	$78.34	$95.20	$315.36	$86.49	$95.84	$99.61	$120.71	$403.53	$484.04	$565.99
Europe	$94.57	$23.54	$28.01	$29.66	$34.96	$116.09	$32.62	$34.41	$36.53	$42.77	$146.44	$177.21	$205.16
Asia	$23.66	$5.95	$6.54	$7.12	$7.71	$27.43	$7.47	$7.59	$8.22	$8.74	$32.10	$36.60	$40.49
Rest of World	$20.13	$5.29	$5.85	$6.45	$7.15	$24.82	$7.17	$7.78	$7.36	$7.92	$30.24	$35.07	$39.65
Total ARPU	**$52.97**	**$13.39**	**$14.90**	**$15.95**	**$18.55**	**$62.99**	**$17.36**	**$18.64**	**$19.36**	**$22.33**	**$77.83**	**$91.80**	**$105.17**
ARPU Y/Y Growth:													
US & Canada	*15.8%*	*16.2%*	*19.2%*	*21.7%*	*19.8%*	*19.6%*	*28.0%*	*30.1%*	*27.1%*	*26.8%*	*28.0%*	*20.0%*	*16.9%*
Europe	*24.8%*	*13.5%*	*23.6%*	*28.6%*	*25.3%*	*22.8%*	*38.6%*	*22.9%*	*23.2%*	*22.3%*	*26.1%*	*21.0%*	*15.8%*
Asia	*17.8%*	*9.3%*	*14.7%*	*20.7%*	*16.9%*	*15.9%*	*25.5%*	*16.1%*	*15.4%*	*13.4%*	*17.0%*	*14.0%*	*10.6%*
Rest of World	*26.8%*	*15.9%*	*19.7%*	*27.2%*	*27.9%*	*23.3%*	*35.6%*	*32.9%*	*14.0%*	*10.8%*	*21.8%*	*16.0%*	*13.1%*
Total ARPU	***18.4%***	***13.0%***	***18.2%***	***22.5%***	***20.2%***	***18.9%***	***29.7%***	***25.1%***	***21.4%***	***20.4%***	***23.6%***	***18.0%***	***14.6%***
ARPU Q/Q Growth:													
US & Canada		*-14.9%*	*8.9%*	*6.4%*	*21.5%*		*-9.2%*	*10.8%*	*3.9%*	*21.2%*			
Europe		*-15.7%*	*19.0%*	*5.9%*	*17.9%*		*-6.7%*	*5.5%*	*6.2%*	*17.1%*			
Asia		*-9.7%*	*9.8%*	*8.9%*	*8.2%*		*-3.1%*	*1.6%*	*8.3%*	*6.4%*			
Rest of World		*-5.4%*	*10.6%*	*10.2%*	*10.8%*		*0.3%*	*8.5%*	*-5.5%*	*7.7%*			
Total ARPU		***-13.2%***	***11.3%***	***7.1%***	***16.3%***		***-6.4%***	***7.4%***	***3.9%***	***15.4%***			

Family Avg. Revenue per Person (ARPP)	2024A	1Q25A	2Q25A	3Q25A	4Q25A	2025A	1Q26A	2Q26A	3Q26E	4Q26E	2026E	2027E	2028E
Family ARPP (Daily)	**$49.63**	**$12.36**	**$13.65**	**$14.46**	**$16.56**	**$57.03**	**$15.66**	**$16.86**	**$17.38**	**$19.75**	**$69.38**	**$80.76**	**$91.42**
Y/Y Growth	*15.5%*	*10.3%*	*14.7%*	*17.7%*	*16.2%*	*14.9%*	*26.7%*	*23.6%*	*20.1%*	*19.3%*	*21.7%*	*16.4%*	*13.2%*
Q/Q Growth		*-13.2%*	*10.4%*	*6.0%*	*14.5%*		*-5.4%*	*7.7%*	*3.1%*	*13.6%*			
Family ARPP (Monthly)	**$39.85**	**$9.94**	**$11.00**	**$11.69**	**$13.40**	**$46.29**	**$12.57**	**$13.43**	**$13.89**	**$15.86**	**$55.89**	**$65.05**	**$73.92**
Y/Y Growth	*15.6%*	*10.6%*	*15.1%*	*18.9%*	*17.5%*	*16.2%*	*26.5%*	*22.1%*	*18.8%*	*18.3%*	*20.7%*	*16.4%*	*13.6%*
Q/Q Growth		*-12.8%*	*10.7%*	*6.3%*	*14.6%*		*-6.2%*	*6.8%*	*3.5%*	*14.1%*			

Revenue Based on User Location	2024A	1Q25A	2Q25A	3Q25A	4Q25A	2025A	1Q26A	2Q26A	3Q26E	4Q26E	2026E	2027E	2028E
US & Canada	72,063	18,605	20,371	21,751	26,472	87,199	24,079	26,816	28,015	33,950	112,861	136,561	160,760
Europe	38,778	9,680	11,532	12,268	14,480	47,960	13,500	14,296	15,263	17,892	60,950	74,420	86,804
Asia	32,834	8,439	9,366	10,272	11,182	39,259	10,914	11,164	12,155	12,988	47,221	54,908	61,607
Rest of World	20,825	5,590	6,247	6,951	7,759	26,547	7,818	8,525	8,125	8,805	33,273	39,375	45,257
Total Revenue	**164,501**	**42,314**	**47,516**	**51,242**	**59,893**	**200,966**	**56,311**	**60,801**	**63,557**	**73,635**	**254,304**	**305,265**	**354,427**
Revenue Split by Region:													
US & Canada	43.8%	44.0%	42.9%	42.4%	44.2%	43.4%	42.8%	44.1%	44.1%	46.1%	44.4%	44.7%	45.4%
Europe	23.6%	22.9%	24.3%	23.9%	24.2%	23.9%	24.0%	23.5%	24.0%	24.3%	24.0%	24.4%	24.5%
Asia	20.0%	19.9%	19.7%	20.0%	18.7%	19.5%	19.4%	18.4%	19.1%	17.6%	18.6%	18.0%	17.4%
Rest of World	12.7%	13.2%	13.1%	13.6%	13.0%	13.2%	13.9%	14.0%	12.8%	12.0%	13.1%	12.9%	12.8%
Total Revenue	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Revenue Y/Y Growth:													
US & Canada	*17.7%*	*17.6%*	*20.9%*	*23.5%*	*21.5%*	*21.0%*	*29.4%*	*31.6%*	*28.8%*	*28.3%*	*29.4%*	*21.0%*	*17.7%*
Europe	*25.6%*	*14.1%*	*24.0%*	*29.2%*	*25.9%*	*23.7%*	*39.5%*	*24.0%*	*24.4%*	*23.6%*	*27.1%*	*22.1%*	*16.6%*
Asia	*22.0%*	*12.8%*	*18.7%*	*25.0%*	*21.0%*	*19.6%*	*29.3%*	*19.2%*	*18.3%*	*16.2%*	*20.3%*	*16.3%*	*12.2%*
Rest of World	*31.3%*	*19.8%*	*24.0%*	*31.9%*	*32.5%*	*27.5%*	*39.9%*	*36.5%*	*16.9%*	*13.5%*	*25.3%*	*18.3%*	*14.9%*
Total Revenue	***21.9%***	***16.1%***	***21.6%***	***26.2%***	***23.8%***	***22.2%***	***33.1%***	***28.0%***	***24.0%***	***22.9%***	***26.5%***	***20.0%***	***16.1%***

Revenue Based on Customer Address	2024A	1Q25A	2Q25A	3Q25A	4Q25A	2025A	1Q26A	2Q26A	3Q26E	4Q26E	2026E	2027E	2028E
US & Canada	63,207	16,869	18,454	19,708	23,835	78,866	21,267	23,068	24,635	29,794	98,763	112,590	126,101
Europe	38,361	9,621	11,128	11,566	14,254	46,569	13,240	14,244	14,573	17,675	59,732	69,289	78,990
Asia	45,009	11,239	12,858	14,304	15,416	53,817	15,445	16,073	16,879	17,728	66,125	74,060	82,206
Rest of World	17,924	4,585	5,076	5,664	6,389	21,714	6,359	7,417	7,471	8,438	29,684	49,326	67,131
Total Revenue	**164,501**	**42,314**	**47,516**	**51,242**	**59,893**	**200,966**	**56,311**	**60,801**	**63,557**	**73,635**	**254,304**	**305,265**	**354,427**
Revenue Split by Region:													
US & Canada	38.4%	39.9%	38.8%	38.5%	39.8%	39.2%	37.8%	37.9%	38.8%	40.5%	38.8%	36.9%	35.6%
Europe	23.3%	22.7%	23.4%	22.6%	23.8%	23.2%	23.5%	23.4%	22.9%	24.0%	23.5%	22.7%	22.3%
Asia	27.4%	26.6%	27.1%	27.9%	25.7%	26.8%	27.4%	26.4%	26.6%	24.1%	26.0%	24.3%	23.2%
Rest of World	10.9%	10.8%	10.7%	11.1%	10.7%	10.8%	11.3%	12.2%	11.8%	11.5%	11.7%	16.2%	18.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Revenue Y/Y Growth:													
US & Canada	*19.5%*	*23.6%*	*26.1%*	*26.2%*	*23.5%*	*24.8%*	*26.1%*	*25.0%*	*25.0%*	*25.0%*	*25.2%*	*14.0%*	*12.0%*
Europe	*22.9%*	*14.5%*	*21.6%*	*25.6%*	*22.9%*	*21.4%*	*37.6%*	*28.0%*	*26.0%*	*24.0%*	*28.3%*	*16.0%*	*14.0%*
Asia	*24.5%*	*9.0%*	*17.2%*	*27.2%*	*23.5%*	*19.6%*	*37.4%*	*25.0%*	*18.0%*	*15.0%*	*22.9%*	*12.0%*	*11.0%*
Rest of World	*22.3%*	*12.0%*	*17.7%*	*25.3%*	*27.8%*	*21.1%*	*38.7%*	*46.1%*	*31.9%*	*32.1%*	*36.7%*	*66.2%*	*36.1%*
Total	***21.9%***	***16.1%***	***21.6%***	***26.2%***	***23.8%***	***22.2%***	***33.1%***	***28.0%***	***24.0%***	***22.9%***	***26.5%***	***20.0%***	***16.1%***

Source: Company reports and J.P. Morgan estimates.

Doug Anmuth [AC]
(1-212) 622-6571
douglas.anmuth@jpmorgan.com

Investment Thesis, Valuation and Risks

Meta Platforms Inc *(Overweight; Price Target: $820.00)*

Investment Thesis
We believe Meta's virtual ownership of the social graph, strong competitive moat, and focus on the user experience position it to become an enduring blue-chip company built for the long term. Meta's reach and engagement continue to drive network effects, and its targeting abilities provide significant value to advertisers. META is delivering significant AI-driven ad ranking & recommendation gains, supporting greater engagement, ROAS, & revenue growth. More recently, we believe the company has laid out a credible path to monetizing its AI driven capex spend via consumer/business agents and model API access. We upgrade our META rating from Neutral to Overweight and increase our December 2027 PT from $640 to $820, based on ~23x our 2028E GAAP EPS of $35.44.

Valuation
We increase our December 2027 PT from $640 to $820, based on ~23x our 2028E GAAP EPS of $35.44, further supported by our DCF model. We apply a premium to the SPX (16x) as we have greater confidence in Meta's strong top-line growth, ongoing cost efficiencies, and path to monetizing its AI initiatives. We use this valuation approach as we believe it appropriately balances Meta's valuation relative to its growth and industry peers.

Risks to Rating and Price Target
Downside risks include: 1) AI investments are heavy & monetization lags, which weighs on GAAP OI, GAAP EPS, & FCF; **2)** slower than expected revenue growth limits AI monetization upside; **3)** AI product & model launches do not resonate, weighing on engagement, revenue, & margins; **4)** competition for online and mobile ad dollars from Google, TikTok, OpenAI, and other online advertising companies; & **5)** the core ad business could be negatively impacted by litigation-related product changes

Doug Anmuth [AC]
(1-212) 622-6571
douglas.anmuth@jpmorgan.com

J.P.Morgan

Meta Platforms Inc: Summary of Financials

Income Statement - Annual	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	**164,501**	**200,966**	**254,304**	**305,265**	**354,427**
COGS	(29,076)	(35,050)	(46,205)	(56,474)	(66,632)
Gross profit	**135,425**	**165,916**	**208,099**	**248,791**	**287,795**
SG&A	(19,030)	(22,325)	(25,483)	(26,558)	(30,481)
Adj. EBITDA	**102,275**	**122,684**	**146,972**	**182,824**	**225,705**
D&A	(15,498)	(18,616)	(31,019)	(51,077)	(73,809)
Adj. EBIT	**87,867**	**105,213**	**117,155**	**133,009**	**153,221**
Net Interest	(715)	(1,165)	(3,681)	(9,317)	(13,547)
Adj. PBT	**89,151**	**107,870**	**115,619**	**130,407**	**146,389**
Tax	(8,304)	(25,475)	(5,062)	(13,828)	(15,402)
Minority Interest	0	0	0	0	0
Adj. Net Income	**72,183**	**87,340**	**93,615**	**105,588**	**118,528**
Reported EPS	23.86	23.49	31.27	31.85	35.44
Adj. EPS	**27.61**	**33.93**	**36.46**	**41.08**	**46.07**
DPS	**-**	**-**	**-**	**-**	**-**
Payout ratio	-	-	-	-	-
Shares outstanding	2,614	2,574	2,567	2,570	2,573

Balance Sheet & Cash Flow Statement	FY24A	FY25A	FY26E	FY27E	FY28E
Cash and cash equivalents	43,889	35,873	15,495	11,882	14,453
Accounts receivable	16,994	19,769	19,881	19,842	17,721
Inventories	-	-	-	-	-
Other current assets	39,162	53,080	88,261	88,261	88,261
Current assets	**100,045**	**108,722**	**123,637**	**119,986**	**120,435**
PP&E	121,346	176,400	300,451	492,060	701,793
LT investments	-	-	-	-	-
Other non current assets	54,663	80,899	98,757	98,757	98,757
Total assets	**276,054**	**366,021**	**522,845**	**710,803**	**920,985**
Short term borrowings	0	0	2,750	1,500	1,000
Payables	7,687	8,894	15,463	18,316	24,810
Other short term liabilities	25,909	32,942	42,924	51,267	62,678
Current liabilities	**33,596**	**41,836**	**61,137**	**71,083**	**88,488**
Long-term debt	28,826	58,744	105,914	179,414	253,414
Other long term liabilities	30,995	48,198	48,692	48,692	48,692
Total liabilities	**93,417**	**148,778**	**215,743**	**299,189**	**390,594**
Shareholders' equity	182,637	217,243	307,102	411,613	530,392
Minority interests	-	-	-	-	-
Total liabilities & equity	**276,054**	**366,021**	**522,845**	**710,803**	**920,985**
BVPS	**69.87**	**84.40**	**119.61**	**160.16**	**206.17**
y/y Growth	*19.9%*	*20.8%*	*41.7%*	*33.9%*	*28.7%*
Net debt/(cash)	(48,989)	(22,848)	18,371	94,234	165,163
Cash flow from operating activities	**91,328**	**115,801**	**138,076**	**177,146**	**222,941**
o/w Depreciation & amortization	15,498	18,616	31,019	51,077	73,809
o/w Changes in working capital	1,050	(885)	(3,380)	11,235	20,025
Cash flow from investing activities	**(47,150)**	**(102,003)**	**(177,672)**	**(243,886)**	**(284,742)**
o/w Capital expenditure	(37,256)	(69,691)	(142,504)	(242,686)	(283,542)
as % of sales	*22.6%*	*34.7%*	*56.0%*	*79.5%*	*80.0%*
Cash flow from financing activities	**(40,781)**	**(20,370)**	**29,793**	**63,127**	**64,371**
o/w Dividends paid	-	-	-	-	-
o/w Net debt issued/(repaid)	10,432	29,906	49,910	72,250	73,500
Net change in cash	**2,611**	**(6,337)**	**(9,803)**	**(3,613)**	**2,571**
Adj. Free cash flow to firm	**54,651**	**47,053**	**(1,448)**	**(57,996)**	**(49,632)**
y/y Growth	*23.0%*	*(13.9%)*	*(103.1%)*	*3906.6%*	*(14.4%)*

Income Statement - Quarterly	1Q26A	2Q26A	3Q26E	4Q26E
Revenue	**56,311A**	**60,801A**	**63,557**	**73,635**
COGS	(9,945)A	(10,796)A	(11,695)	(13,770)
Gross profit	**46,366A**	**50,005A**	**51,863**	**59,865**
SG&A	(5,102)A	(7,970)A	(5,784)	(6,627)
Adj. EBITDA	**35,081A**	**34,052A**	**36,025**	**41,815**
D&A	(5,999)A	(6,356)A	(8,803)	(9,861)
Adj. EBIT	**29,353A**	**28,010A**	**27,539**	**32,252**
Net Interest	(562)A	(920)A	(920)	(1,279)
Adj. PBT	**28,233A**	**27,991A**	**27,520**	**31,875**
Tax	5,021A	(2,908)A	(3,241)	(3,934)
Minority Interest	0A	0A	0	0
Adj. Net Income	**22,860A**	**22,664A**	**22,283**	**25,808**
Reported EPS	10.44A	6.18A	6.62	8.03
Adj. EPS	**8.92A**	**8.83A**	**8.68**	**10.04**
DPS	**-**	**-**	**-**	**-**
Payout ratio	-	-	-	-
Shares outstanding	2,564A	2,566A	2,569	2,571

Ratio Analysis	FY24A	FY25A	FY26E	FY27E	FY28E
Gross margin	82.3%	82.6%	81.8%	81.5%	81.2%
EBITDA margin	62.2%	61.0%	57.8%	59.9%	63.7%
EBIT margin	53.4%	52.4%	46.1%	43.6%	43.2%
Net profit margin	43.9%	43.5%	36.8%	34.6%	33.4%
ROE	43.0%	43.7%	35.7%	29.4%	25.2%
ROA	28.5%	27.2%	21.1%	17.1%	14.5%
ROCE	37.1%	35.0%	27.4%	21.4%	18.0%
SG&A/Sales	11.6%	11.1%	10.0%	8.7%	8.6%
Net debt/equity	NM	NM	0.1	0.2	0.3
P/E (x)	23.7	19.3	17.9	15.9	14.2
P/BV (x)	9.4	7.7	5.5	4.1	3.2
EV/EBITDA (x)	16.6	13.9	12.0	10.1	8.5
Dividend Yield	-	-	-	-	-
Sales/Assets (x)	0.7	0.6	0.6	0.5	0.4
Interest cover (x)	143.0	105.3	39.9	19.6	16.7
Operating leverage	138.3%	89.1%	42.8%	67.5%	94.4%
Revenue y/y Growth	21.9%	22.2%	26.5%	20.0%	16.1%
EBITDA y/y Growth	31.9%	20.0%	19.8%	24.4%	23.5%
Tax rate	19.0%	19.0%	19.0%	19.0%	19.0%
Adj. Net Income y/y Growth	30.9%	21.0%	7.2%	12.8%	12.3%
EPS y/y Growth	31.6%	22.9%	7.5%	12.7%	12.1%
DPS y/y Growth	-	-	-	-	-

Source: Company reports and J.P. Morgan estimates.
Note: $ in millions (except per-share data).Fiscal year ends Dec. o/w - out of which

Analyst Certification: The Research Analyst(s) denoted by an "AC" on the cover of this report certifies (or, where multiple Research Analysts are primarily responsible for this report, the Research Analyst denoted by an "AC" on the cover or within the document individually certifies, with respect to each security or issuer that the Research Analyst covers in this research) that: (1) all of the views expressed in this report accurately reflect the Research Analyst's personal views about any and all of the subject securities or issuers; and (2) no part of any of the Research Analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the Research Analyst(s) in this report. For all Korea-based Research Analysts listed on the front cover, if applicable, they also certify, as per KOFIA requirements, that the Research Analyst's analysis was made in good faith and that the views reflect the Research Analyst's own opinion, without undue influence or intervention.

All authors named within this report are Research Analysts who produce independent research unless otherwise specified. In Europe, Sector Specialists (Sales and Trading) may be shown on this report as contacts but are not authors of the report or part of the Research Department.

Important Disclosures

- **Market Maker:** J.P. Morgan Securities LLC makes a market in the securities of Meta Platforms Inc or related entities.
- **Market Maker/ Liquidity Provider:** J.P. Morgan is a market maker and/or liquidity provider in the financial instruments of/related to Meta Platforms Inc or related entities.
- **Manager or Co-manager:** J.P. Morgan acted as manager or co-manager in a public offering of securities or financial instruments (as such term is defined in Directive 2014/65/EU) of/for Meta Platforms Inc or related entities within the past 12 months.
- **Analyst Position:** An analyst on the Equity or Credit coverage team, non-fundamental analyst who may produce trade recommendations, or a member of their respective household(s) has a financial interest in the debt or equity securities of Meta Platforms Inc or related entities.
- **Beneficial Ownership (1% or more):** J.P. Morgan beneficially owns 1% or more of a class of common equity securities of Meta Platforms Inc or related entities.
- **Client:** J.P. Morgan currently has, or had within the past 12 months, the following entity(ies) as clients: Meta Platforms Inc or related entities.
- **Client/Investment Banking:** J.P. Morgan currently has, or had within the past 12 months, the following entity(ies) as investment banking clients: Meta Platforms Inc or related entities.
- **Client/Non-Investment Banking, Securities-Related:** J.P. Morgan currently has, or had within the past 12 months, the following entity(ies) as clients, and the services provided were non-investment-banking, securities-related: Meta Platforms Inc or related entities.
- **Client/Non-Securities-Related:** J.P. Morgan currently has, or had within the past 12 months, the following entity(ies) as clients, and the services provided were non-securities-related: Meta Platforms Inc or related entities.
- **Investment Banking Compensation Received:** J.P. Morgan has received in the past 12 months compensation for investment banking services from Meta Platforms Inc or related entities.
- **Potential Investment Banking Compensation:** J.P. Morgan expects to receive, or intends to seek, compensation for investment banking services in the next three months from Meta Platforms Inc or related entities.
- **Non-Investment Banking Compensation Received:** J.P. Morgan has received compensation in the past 12 months for products or services other than investment banking from Meta Platforms Inc or related entities.
- **Debt Position:** J.P. Morgan may hold a position in the debt securities of Meta Platforms Inc or related entities, if any.

Company-Specific Disclosures: J.P. Morgan does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision. Important disclosures, including price charts and credit opinion history tables (if applicable), are available for compendium reports and all J.P. Morgan–covered companies, and certain non-covered companies, by visiting https://www.jpmm.com/research/disclosures, calling 1-800-477-0406, or e-mailing research.disclosure.inquiries@jpmorgan.com with your request.

Doug Anmuth [AC]
(1-212) 622-6571
douglas.anmuth@jpmorgan.com

Meta Platforms Inc (META, META US) Price Chart



Source: Bloomberg Finance L.P. and J.P. Morgan; price data adjusted for stock splits and dividends.
Initiated coverage Jun 27, 2012. All share prices are as of market close on the previous business day.

Date	Rating	Price ($)	Price Target ($)
04-Oct-23	OW	300.94	400
26-Oct-23	OW	299.53	420
02-Feb-24	OW	394.78	535
25-Apr-24	OW	493.50	480
01-Aug-24	OW	474.83	610
26-Sep-24	OW	568.31	640
31-Oct-24	OW	591.80	660
18-Dec-24	OW	619.44	725
08-Apr-25	OW	516.25	610
01-May-25	OW	549.00	675
04-Jun-25	OW	666.85	735
11-Jul-25	OW	727.24	795
31-Jul-25	OW	695.21	875
30-Oct-25	OW	751.67	800
29-Jan-26	OW	668.73	825
30-Apr-26	N	669.12	725
30-Jul-26	N	585.61	640

The chart(s) show J.P. Morgan's continuing coverage of the stocks; the current analysts may or may not have covered it over the entire period.
J.P. Morgan ratings or designations: OW = Overweight, N= Neutral, UW = Underweight, NR = Not Rated

Explanation of Equity Research Ratings, Designations and Analyst(s) Coverage Universe:
J.P. Morgan uses the following rating system: Overweight (over the duration of the price target indicated in this report, we expect this stock will outperform the average total return of the stocks in the Research Analyst's, or the Research Analyst's team's, coverage universe); Neutral (over the duration of the price target indicated in this report, we expect this stock will perform in line with the average total return of the stocks in the Research Analyst's, or the Research Analyst's team's, coverage universe); and Underweight (over the duration of the price target indicated in this report, we expect this stock will underperform the average total return of the stocks in the Research Analyst's, or the Research Analyst's team's, coverage universe. NR is Not Rated. In this case, J.P. Morgan has removed the rating and, if applicable, the price target, for this stock because of either a lack of a sufficient fundamental basis or for legal, regulatory or policy reasons. The previous rating and, if applicable, the price target, no longer should be relied upon. An NR designation is not a recommendation or a rating. Some stocks under coverage have a rating but no price target; in these cases, we expect the stock will outperform/perform in line/underperform the average total return of the stocks in the Research Analyst's, or the Research Analyst's team's, coverage universe of the relevant duration of the region. In our Asia (ex-Australia and ex-India) and U.K. small- and mid-cap Equity Research, each stock's expected total return is compared to the expected total return of a benchmark country market index, not to those Research Analysts' coverage universe. If it does not appear in the Important Disclosures section of this report, the certifying Research Analyst's coverage universe can be found on J.P. Morgan's Research website, https://www.jpmorganmarkets.com.

Coverage Universe: Anmuth, Doug : Airbnb (ABNB), Alphabet (GOOG), Alphabet Inc. (GOOGL), Amazon.com (AMZN), Bending Spoons (BSP), Booking Holdings (BKNG), Chewy (CHWY), DoorDash (DASH), Expedia Group, Inc. (EXPE), Fiverr (FVRR), Instacart (CART), Lime (LIME), Lyft (LYFT), Meta Platforms Inc (META), Netflix Inc (NFLX), Pattern Group Inc. (PTRN), Peloton (PTON), Pinterest (PINS), Reddit (RDDT), Snap Inc. (SNAP), SpaceX (SPCX), Spotify (SPOT), StubHub (STUB), TripAdvisor, Inc. (TRIP), Uber Technologies (UBER), eBay, Inc (EBAY), trivago (TRVG)

J.P. Morgan Equity Research Ratings Distribution, as of July 04, 2026

	Overweight (buy)	Neutral (hold)	Underweight (sell)
J.P. Morgan Global Equity Research Coverage*	53%	36%	12%
IB clients**	83%	80%	73%
JPMS Equity Research Coverage*	51%	37%	12%
IB clients**	95%	92%	87%

***Please note that the percentages may not add to 100% because of rounding.**
****Percentage of subject companies within each of the "buy," "hold" and "sell" categories for which J.P. Morgan has provided investment banking services within the previous 12 months.**
For purposes of FINRA ratings distribution rules only, our Overweight rating falls into a buy rating category; our Neutral rating falls into a hold rating category; and our Underweight rating falls into a sell rating category. Please note that stocks with an NR designation are not included in the table above. This information is current as of the end of the most recent calendar quarter.

Equity Valuation and Risks: For valuation methodology and risks associated with covered companies or price targets for covered companies, please see the most recent company-specific research report at http://www.jpmorganmarkets.com, contact the primary analyst or your J.P.

Morgan representative, or email research.disclosure.inquiries@jpmorgan.com. For material information about the proprietary models used, please see the Summary of Financials in company-specific research reports and the Company Tearsheets, which are available to download on the company pages of our client website, http://www.jpmorganmarkets.com. This report also sets out within it the material underlying assumptions used.

History of Investment Recommendations:
A history of J.P. Morgan investment recommendations disseminated during the preceding 12 months can be accessed on the Research & Commentary page of http://www.jpmorganmarkets.com where you can also search by analyst name, sector or financial instrument.

Analysts' Compensation: The research analysts responsible for the preparation of this report receive compensation based upon various factors, including the quality and accuracy of research, client feedback, competitive factors, and overall firm revenues.

Other Disclosures

J.P. Morgan is a marketing name for investment banking businesses of JPMorgan Chase & Co. and its subsidiaries and affiliates worldwide.

UK MIFID FICC research unbundling exemption: UK clients should refer to UK MIFID Research Unbundling exemption for details of J.P. Morgan's implementation of the FICC research exemption and guidance on relevant FICC research categorisation.

All research material made available to clients are simultaneously available on our client website, J.P. Morgan Markets, unless specifically permitted by relevant laws. Not all research content is redistributed, e-mailed or made available to third-party aggregators. For all research material available on a particular stock, please contact your sales representative.

Any long form nomenclature for references to China; Hong Kong; Taiwan; and Macau within this research material are Mainland China; Hong Kong SAR (China); Taiwan (China); and Macau SAR (China).

J.P. Morgan Research may, from time to time, write on issuers or securities targeted by economic or financial sanctions imposed or administered by the governmental authorities of the U.S., EU, UK or other relevant jurisdictions (Sanctioned Securities). Nothing in this report is intended to be read or construed as encouraging, facilitating, promoting or otherwise approving investment or dealing in such Sanctioned Securities. Clients should be aware of their own legal and compliance obligations when making investment decisions.

Digital assets, which may also be referred to as virtual or crypto assets or crypto currencies (e.g. bitcoin), discussed in this research report are subject to a rapidly changing regulatory landscape. The application of relevant laws in respect of such assets may be unsettled, and the legality of any digital asset investment may be unclear. Prior to making any investment decision regarding any digital asset, investors should seek their own legal advice and be aware of any legal considerations regarding the purchase, holding or selling of such an investment. For relevant regulatory advisories on digital assets, including bitcoin and ethereum, please see https://www.jpmorgan.com/disclosures/cryptoasset-disclosure.

The author(s) of this research report may not be licensed to carry on regulated activities in your jurisdiction and, if not licensed, do not hold themselves out as being able to do so.

Exchange-Traded Funds (ETFs): J.P. Morgan Securities LLC ("JPMS") acts as authorized participant for substantially all U.S.-listed ETFs. To the extent that any ETFs are mentioned in this report, JPMS may earn commissions and transaction-based compensation in connection with the distribution of those ETF shares and may earn fees for performing other trade-related services, such as securities lending to short sellers of the ETF shares. JPMS may also perform services for the ETFs themselves, including acting as a broker or dealer to the ETFs. In addition, affiliates of JPMS may perform services for the ETFs, including trust, custodial, administration, lending, index calculation and/or maintenance and other services.

Options and Futures related research: If the information contained herein regards options- or futures-related research, such information is available only to persons who have received the proper options or futures risk disclosure documents. Please contact your J.P. Morgan Representative or visit https://www.theocc.com/components/docs/riskstoc.pdf for a copy of the Option Clearing Corporation's Characteristics and Risks of Standardized Options or https://www.finra.org/sites/default/files/2020-08/Security_Futures_Risk_Disclosure_Statement_2020.pdf for a copy of the Security Futures Risk Disclosure Statement.

Changes to Interbank Offered Rates (IBORs) and other benchmark rates: Certain interest rate benchmarks are, or may in the future become, subject to ongoing international, national and other regulatory guidance, reform and proposals for reform. For more information, please consult: https://www.jpmorgan.com/global/disclosures/interbank_offered_rates

Private Bank Clients: Where you are receiving research as a client of the private banking businesses offered by JPMorgan Chase & Co. and its subsidiaries ("J.P. Morgan Private Bank"), research is provided to you by J.P. Morgan Private Bank and not by any other division of J.P. Morgan, including, but not limited to, the J.P. Morgan Corporate and Investment Bank and its Global Research division.

Legal entity responsible for the production and distribution of research: The legal entity identified below the name of the Reg AC Research Analyst who authored this material is the legal entity responsible for the production of this research. Where multiple Reg AC Research Analysts authored this material with different legal entities identified below their names, these legal entities are jointly responsible for the production of

this research. Where more than one legal entity is listed under an analyst's name, the first legal entity is responsible for the production unless stated otherwise. Research Analysts from various J.P. Morgan affiliates may have contributed to the production of this material but may not be licensed to carry out regulated activities in your jurisdiction (and do not hold themselves out as being able to do so). Unless otherwise stated below in the legal entity disclosures, this material has been distributed by the legal entity responsible for production, or where more than one legal entity is listed under the analyst's name, the first legal entity will be responsible for distribution. If you have any queries, please contact the relevant Research Analyst in your jurisdiction or the entity in your jurisdiction that has distributed this research material.

Legal Entities Disclosures and Country-/Region-Specific Disclosures:
Argentina: JPMorgan Chase Bank N.A Sucursal Buenos Aires is regulated by Banco Central de la República Argentina ("BCRA"- Central Bank of Argentina) and Comisión Nacional de Valores ("CNV"- Argentinian Securities Commission - ALYC y AN Integral N°51).

Australia: J.P. Morgan Securities Australia Limited ("JPMSAL") (ABN 61 003 245 234/AFS Licence No: 238066) is regulated by the Australian Securities and Investments Commission and is a Market Participant of ASX Limited, a Clearing and Settlement Participant of ASX Clear Pty Limited and a Clearing Participant of ASX Clear (Futures) Pty Limited. This material is issued and distributed in Australia by or on behalf of JPMSAL only to "wholesale clients" (as defined in section 761G of the Corporations Act 2001). A list of all financial products covered can be found by visiting https://www.jpmm.com/research/disclosures. J.P. Morgan seeks to cover companies of relevance to the domestic and international investor base across all Global Industry Classification Standard (GICS) sectors, as well as across a range of market capitalisation sizes. If applicable, in the course of conducting public side due diligence on the subject company(ies), the Research Analyst team may at times perform such diligence through corporate engagements such as site visits, discussions with company representatives, management presentations, etc. Research issued by JPMSAL has been prepared in accordance with J.P. Morgan Australia's Research Independence Policy which can be found at the following link: J.P. Morgan Australia - Research Independence Policy.

Brazil: Banco J.P. Morgan S.A. is regulated by the Comissao de Valores Mobiliarios (CVM) and by the Central Bank of Brazil. Ombudsman J.P. Morgan: 0800-7700847 / 0800-7700810 (For Hearing Impaired) / ouvidoria.jp.morgan@jpmchase.com.

Canada: J.P. Morgan Securities Canada Inc. is a registered investment dealer, regulated by the Canadian Investment Regulatory Organization and the Ontario Securities Commission and is the participating member on Canadian exchanges. This material is distributed in Canada by or on behalf of J.P.Morgan Securities Canada Inc.

Chile: Inversiones J.P. Morgan Limitada is an unregulated entity incorporated in Chile.

China: J.P. Morgan Securities (China) Company Limited has been approved by CSRC to conduct the securities investment consultancy business.

Colombia: Banco J.P. Morgan Colombia S.A. is supervised by the Financiera de Colombia (SFC). Any reference in this material to products or services offered abroad by entities other than the Bank in Colombia is included exclusively for descriptive purposes. Such references do not constitute, and should not be construed as, promotional activity or the provision of financial products or services within Colombian territory, as defined under applicable Colombian regulation.

Dubai International Financial Centre (DIFC): JPMorgan Chase Bank, N.A., Dubai Branch is regulated by the Dubai Financial Services Authority (DFSA) and its registered address is Dubai International Financial Centre - The Gate, West Wing, Level 3 and 9 PO Box 506551, Dubai, UAE. This material has been distributed by JP Morgan Chase Bank, N.A., Dubai Branch to persons regarded as professional clients or market counterparties as defined under the DFSA rules.

European Economic Area (EEA): Unless specified to the contrary, research is distributed in the EEA by J.P. Morgan SE ("JPM SE"), which is authorised as a credit institution by the Federal Financial Supervisory Authority (Bundesanstalt für tungsaufsicht, BaFin) and jointly supervised by the BaFin, the German Central Bank (Deutsche Bundesbank) and the European Central Bank (ECB). JPM SE is a company headquartered in Frankfurt with registered address at TaunusTurm, Taunustor 1, Frankfurt am Main, 60310, Germany. The material has been distributed in the EEA to persons regarded as professional investors (or equivalent) pursuant to Art. 4 para. 1 no. 10 and Annex II of MiFID II and its respective implementation in their home jurisdictions ("EEA professional investors"). This material must not be acted on or relied on by persons who are not EEA professional investors. Any investment or investment activity to which this material relates is only available to EEA relevant persons and will be engaged in only with EEA relevant persons.

Hong Kong: J.P. Morgan Securities (Asia Pacific) Limited (CE number AAJ321) is regulated by the Hong Kong Monetary Authority and the Securities and Futures Commission in Hong Kong, and J.P. Morgan Broking (Hong Kong) Limited (CE number AAB027) is regulated by the Securities and Futures Commission in Hong Kong. JP Morgan Chase Bank, N.A., Hong Kong Branch (CE Number AAL996) is regulated by the Hong Kong Monetary Authority and the Securities and Futures Commission, is organized under the laws of the United States with limited liability. Where the distribution of this material is a regulated activity in Hong Kong, the material is distributed in Hong Kong by or through J.P. Morgan Securities (Asia Pacific) Limited and/or J.P. Morgan Broking (Hong Kong) Limited.

India: J.P. Morgan India Private Limited (Corporate Identity Number - 68724), having its registered office at J.P. Morgan Tower, Off. C.S.T. Road, Kalina, Santacruz - East, Mumbai – 400098, is registered with the Securities and Exchange Board of India (SEBI) as a 'Research Analyst' having registration number INH000001873. J.P. Morgan India Private Limited is also registered with SEBI as a member of the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited (SEBI Registration Number – INZ000239730) and as a Merchant Banker (SEBI Registration Number - MB/INM000002970). Telephone: 91-22-6157 3000, Facsimile: 91-22-6157 3990 and Website: http://www.jpmipl.com. JPMorgan Chase Bank, N.A. - Mumbai Branch is licensed by the Reserve Bank of India (RBI) (Licence No. 53/

Licence No. BY.4/94; SEBI - IN/CUS/014/ CDSL : IN-DP-CDSL-444-2008/ IN-DP-NSDL-285-2008/ INBI00000984/ INE231311239) as a Scheduled Commercial Bank in India, which is its primary license allowing it to carry on Banking business in India and other activities, which a Bank branch in India are permitted to undertake. For non-local research material, this material is not distributed in India by J.P. Morgan India Private Limited. Compliance Officer: Ashutosh Sharma; ashutosh.j.sharma@jpmchase.com; +912261575002. Grievance Officer: Ramprasadh K, jpmipl.research.feedback@jpmorgan.com; +912261573000. Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. Please visit Terms and Conditions and Most Important Terms and Conditions (MITC). The annual Compliance audit report is available at http://www.jpmipl.com/#research.

Indonesia: PT J.P. Morgan Sekuritas Indonesia is a member of the Indonesia Stock Exchange and is registered and supervised by the Otoritas Jasa Keuangan (OJK).

Korea: J.P. Morgan Securities (Far East) Limited, Seoul Branch, is a member of the Korea Exchange (KRX). JPMorgan Chase Bank, N.A., Seoul Branch, is licensed as a branch office of foreign bank (JPMorgan Chase Bank, N.A.) in Korea. Both entities are regulated by the Financial Services Commission (FSC) and the Financial Supervisory Service (FSS). For non-macro research material, the material is distributed in Korea by or through J.P. Morgan Securities (Far East) Limited, Seoul Branch.

Japan: JPMorgan Securities Japan Co., Ltd. and JPMorgan Chase Bank, N.A., Tokyo Branch are regulated by the Financial Services Agency in Japan.

Malaysia: This material is issued and distributed in Malaysia by JPMorgan Securities (Malaysia) Sdn Bhd (18146-X), which is a Participating Organization of Bursa Malaysia Berhad and holds a Capital Markets Services License issued by the Securities Commission in Malaysia.

Mexico: J.P. Morgan Casa de Bolsa, S.A. de C.V., J.P. Morgan Grupo Financiero is member of the Mexican Stock Exchange ("Bolsa Mexicana de Valores") and the Institutional Stock Exchange ("Bolsa Institucional de Valores"), and it is authorized to act as a broker dealer by the National Banking and Securities Exchange Commission ("Comisión Nacional Bancaria y de Valores").

New Zealand: This material is issued and distributed by JPMSAL in New Zealand only to "wholesale clients" (as defined in the Financial Markets Conduct Act 2013). JPMSAL is registered as a Financial Service Provider under the Financial Service providers (Registration and Dispute Resolution) Act of 2008.

Philippines: J.P. Morgan Securities Philippines Inc. is a Trading Participant of the Philippine Stock Exchange and a member of the Securities Clearing Corporation of the Philippines and the Securities Investor Protection Fund. It is regulated by the Securities and Exchange Commission.

Singapore: This material is issued and distributed in Singapore by or through J.P. Morgan Securities Singapore Private Limited (JPMSS) [MDDI (P) 070/08/2026 and Co. Reg. No.: 199405335R], which is a member of the Singapore Exchange Securities Trading Limited, and/or JPMorgan Chase Bank, N.A., Singapore branch (JPMCB Singapore), both of which are regulated by the Monetary Authority of Singapore. This material is issued and distributed in Singapore only to accredited investors, expert investors and institutional investors, as defined in Section 4A of the Securities and Futures Act, Cap. 289 (SFA). This material is not intended to be issued or distributed to any retail investors or any other investors that do not fall into the classes of "accredited investors," "expert investors" or "institutional investors," as defined under Section 4A of the SFA. Recipients of this material in Singapore are to contact JPMSS or JPMCB Singapore in respect of any matters arising from, or in connection with, the material.

South Africa: J.P. Morgan Equities South Africa Proprietary Limited and JPMorgan Chase Bank, N.A., Johannesburg Branch are members of the Johannesburg Securities Exchange and are regulated by the Financial Services Conduct Authority (FSCA).

Taiwan: J.P. Morgan Securities (Taiwan) Limited is a participant of the Taiwan Stock Exchange (company-type) and regulated by the Taiwan Securities and Futures Bureau. Material relating to equity securities is issued and distributed in Taiwan by J.P. Morgan Securities (Taiwan) Limited, subject to the license scope and the applicable laws and the regulations in Taiwan. **To the extent that J.P. Morgan Securities (Taiwan) Limited produces research materials on securities not listed on the Taiwan Stock Exchange or Taipei Exchange ("Non-Taiwan Listed Securities"), these materials shall not constitute securities recommendations for the purpose of applicable Taiwan regulations, and, for the avoidance of doubt, J.P. Morgan Securities (Taiwan) Limited does not act as broker for Non-Taiwan Listed Securities.** According to Paragraph 2, Article 7-1 of Operational Regulations Governing Securities Firms Recommending Trades in Securities to Customers (as amended or supplemented) and/or other applicable laws or regulations, please note that the recipient of this material is not permitted to engage in any activities in connection with the material that may give rise to conflicts of interests, unless otherwise disclosed in the "Important Disclosures" in this material.

Thailand: This material is issued and distributed in Thailand by JPMorgan Securities (Thailand) Ltd., which is a member of the Stock Exchange of Thailand and is regulated by the Ministry of Finance and the Securities and Exchange Commission. The registered address is 548 One City Center Building, 50th Floor, Ploenchit Road, Lumphini, Pathum Wan, Bangkok 10330.

UK: Research is produced in the UK by J.P. Morgan Securities plc ("JPMS plc") which is a member of the London Stock Exchange and is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority or J.P. Morgan Markets Limited ("JPMML Ltd") which is authorised and regulated by the Financial Conduct Authority. Unless specified to the contrary, this material is distributed in the UK by JPMS plc and is directed in the UK only to: (a) persons having professional experience in matters relating to investments falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) (Order) 2005 ("the FPO"); (b) persons outlined in article 49 of the FPO (high net worth companies, unincorporated associations or partnerships, the trustees of high value trusts, etc.); or (c) any persons to whom this communication may otherwise lawfully be made; all such persons being referred to as

"UK relevant persons". This material must not be acted on or relied on by persons who are not UK relevant persons. Any investment or investment activity to which this material relates is only available to UK relevant persons and will be engaged in only with UK relevant persons. A description of J.P. Morgan EMEA's policy for prevention and avoidance of conflicts of interest related to the production of Research can be found at the following link: J.P. Morgan EMEA - Research Independence Policy.

U.S.: J.P. Morgan Securities LLC ("JPMS") is a member of the NYSE, FINRA, SIPC, and the NFA. JPMorgan Chase Bank, N.A. is a member of the FDIC. Material published by non-U.S. affiliates is distributed in the U.S. by JPMS who accepts responsibility for its content.

General: Additional information is available upon request. The information in this material has been obtained from sources believed to be reliable. While all reasonable care has been taken to ensure that the facts stated in this material are accurate and that the forecasts, opinions and expectations contained herein are fair and reasonable, JPMorgan Chase & Co. or its affiliates and/or subsidiaries (collectively J.P. Morgan) make no representations or warranties whatsoever to the completeness or accuracy of the material provided, except with respect to any disclosures relative to J.P. Morgan and the Research Analyst's involvement with the issuer that is the subject of the material. Accordingly, no reliance should be placed on the accuracy, fairness or completeness of the information contained in this material. There may be certain discrepancies with data and/or limited content in this material as a result of calculations, adjustments, translations to different languages, and/or local regulatory restrictions, as applicable. These discrepancies should not impact the overall investment analysis, views and/or recommendations of the subject company(ies) that may be discussed in the material. Artificial intelligence tools may have been used in the preparation of this material, including assisting in data analysis, pattern recognition, and content drafting for research material. J.P. Morgan accepts no liability whatsoever for any loss arising from any use of this material or its contents, and neither J.P. Morgan nor any of its respective directors, officers or employees, shall be in any way responsible for the contents hereof, apart from the liabilities and that may be imposed on them by the relevant regulatory authority in the jurisdiction in question, or the regulatory regime thereunder. Opinions, forecasts or projections contained in this material represent J.P. Morgan's current opinions or judgment as of the date of the material only and are therefore subject to change without notice. Periodic updates may be provided on companies/industries based on company-specific developments or announcements, market conditions or any other publicly available information. There can be no assurance that future results or events will be consistent with any such opinions, forecasts or projections, which represent only one possible outcome. Furthermore, such opinions, forecasts or projections are subject to certain risks, uncertainties and assumptions that have not been verified, and future actual results or events could differ materially. The value of, or income from, any investments referred to in this material may fluctuate and/or be affected by changes in exchange rates. All pricing is indicative as of the close of market for the securities discussed, unless otherwise stated. Past performance is not indicative of future results. Accordingly, investors may receive back less than originally invested. This material is not intended as an offer or solicitation for the purchase or sale of any financial instrument. The opinions and recommendations herein do not take into account individual client circumstances, objectives, or needs and are not intended as recommendations of particular securities, financial instruments or strategies to particular clients. This material may include views on structured securities, options, futures and other derivatives. These are complex instruments, may involve a high degree of risk and may be appropriate investments only for sophisticated investors who are capable of understanding and assuming the risks involved. The recipients of this material must make their own independent decisions regarding any securities or financial instruments mentioned herein and should seek advice from such independent financial, legal, tax or other adviser as they deem necessary. J.P. Morgan may trade as a principal on the basis of the Research Analysts' views and research, and it may also engage in transactions for its own account or for its clients' accounts in a manner inconsistent with the views taken in this material, and J.P. Morgan is under no obligation to ensure that such other communication is brought to the attention of any recipient of this material. Others within J.P. Morgan, including Strategists, Sales staff and other Research Analysts, may take views that are inconsistent with those taken in this material. Employees of J.P. Morgan not involved in the preparation of this material may have investments in the securities (or derivatives of such securities) mentioned in this material and may trade them in ways different from those discussed in this material. This material is not an advertisement for or marketing of any issuer, its products or services, or its securities in any jurisdiction.

Confidentiality and Security Notice: This transmission may contain information that is privileged, confidential, legally privileged, and/or exempt from disclosure under applicable law. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution, or use of the information contained herein (including any reliance thereon) is STRICTLY PROHIBITED. Although this transmission and any attachments are believed to be free of any virus or other defect that might affect any computer system into which it is received and opened, it is the responsibility of the recipient to ensure that it is virus free and no responsibility is accepted by JPMorgan Chase & Co., its subsidiaries and affiliates, as applicable, for any loss or damage arising in any way from its use. If you received this transmission in error, please immediately contact the sender and destroy the material in its entirety, whether in electronic or hard copy format. This message is subject to electronic monitoring: https://www.jpmorgan.com/disclosures/email

MSCI: Certain information herein ("Information") is reproduced by permission of MSCI Inc., its affiliates and information providers ("MSCI") ©2026. No reproduction or dissemination of the Information is permitted without an appropriate license. MSCI MAKES NO EXPRESS OR IMPLIED WARRANTIES (INCLUDING MERCHANTABILITY OR FITNESS) AS TO THE INFORMATION AND DISCLAIMS ALL LIABILITY TO THE EXTENT PERMITTED BY LAW. No Information constitutes investment advice, except for any applicable Information from MSCI ESG Research. Subject also to msci.com/disclaimer

Any mentions of third-party trademarks, brand names, products, and services are for referential purposes only and any mention thereof is not meant to imply any sponsorship, endorsement, or affiliation.

Sustainalytics: Certain information, data, analyses and opinions contained herein are reproduced by permission of Sustainalytics and: (1) includes the proprietary information of Sustainalytics; (2) may not be copied or redistributed except as specifically authorized; (3) do not constitute investment advice nor an endorsement of any product or project; (4) are provided solely for informational purposes; and (5) are not

warranted to be complete, accurate or timely. Sustainalytics is not responsible for any trading decisions, damages or other losses related to it or its use. The use of the data is subject to conditions available at https://www.sustainalytics.com/legal-disclaimers. ©2026 Sustainalytics. All Rights Reserved.

"Other Disclosures" last revised August 29, 2026.

Copyright 2026 JPMorgan Chase & Co. All rights reserved. This material or any portion hereof may not be reprinted, sold or redistributed without the written consent of J.P. Morgan. It is strictly prohibited to use or share without prior written consent from J.P. Morgan any research material received from J.P. Morgan or an authorized third-party ("J.P. Morgan Data") in any third-party artificial intelligence ("AI") systems or models when such J.P. Morgan Data is accessible by a third-party.

Completed 10 Sep 2026 03:31 AM EDT

Disseminated 10 Sep 2026 03:31 AM EDT